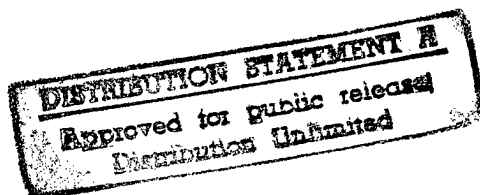


JPRS-UEA-87-012 278042  
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# ***JPRS Report***



## **Soviet Union**

### ***Economic Affairs***

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## MINISTER ADVOCATES FISCAL MEASURES TO ACCELERATE GROWTH

Moscow FINANSY SSSR in Russian No 2, Feb 87 pp 3-12

[Article by A. A. Bobrovnikov, RSFSR minister of finance: "A Stronger Impact From Finance on Acceleration of RSFSR's Economic Development"]

[Text] We have come to the end of the 1st year of the 12th Five-Year Plan, a year of practical realization of the party's strategic course defined in the decisions of the 27th CPSU Congress and aimed at acceleration of socioeconomic development and at restructuring the activity of all economic entities based on the transition in every way to economic methods of management, on a strengthened role of intensive factors of intensive growth, on extensive use of the advances of scientific-technical progress, and on achieving thereby a further growth of the economy and rise in the prosperity of the people.

The plan for the 2d year of the 12th Five-Year Plan is based on the achievements of 1986. Strenuous effort in the 1st year of the current 5-year planning period has yielded the first appreciable results. The favorable developments occurring in the economic development of the Russian Federation are indicated first of all by the 4-percent growth of the national income over the last year of the 11th Five-Year Plan. There has been a growth in the volume of sales of industrial products and state purchases of meat, milk, eggs, and wool; more efficient use has been made of physical, labor, and financial resources; production cost has been reduced; and payments into the budget from profit have been made for the republic's economy as a whole. Major steps have been taken to boost the prosperity of the people. Payments and benefits from social consumption funds and the real per capita income of working people have risen substantially.

The rates of economic growth envisaged in the republic's state plan for economic and social development and state budget for 1987 create the necessary basis for reinforcing what has been achieved.

The 2d year of the 5-year planning period is a decisive one in the ongoing restructuring of the economic mechanism and the system of management. The entire industrial sector, the agroindustrial complex, transportation, communication, and consumer services to the public are now operating under the new economic conditions in the Russian Federation. Radical restructuring is beginning during this year in construction and the trade sector. Everywhere

enterprises and associations are making the transition to full cost accounting [khozraschet], self-support [samookupayemost], and self-financing.

Higher growth rates of the national income and the volume of industrial output are outlined in 1987. Dynamism in development must be achieved above all thanks to intensive factors, in particular acceleration of the rise of labor productivity, a drop in the capital intensiveness of the national income, renewal of the active part of fixed capital, and a rise in the economic effectiveness of utilizing the results of scientific research.

The high growth rates of the most important indicators outlined in the RSFSR State Plan for Economic and Social Development in 1987 require stable financial support from all sources of financing: the budget, resources of the economic sectors themselves, and bank credit.

The state budget is the republic's basic financial plan. It objectively determines the important role of RSFSR Minfin and financial authorities in the planning, distribution, and use of financial resources in order to increase economic efficiency and in monitoring the sector's fulfillment of financial targets and obligations to the budget, the strengthening of cost accounting, and the discovery and mobilization of untapped internal potential for social production.

The 4th Session of the RSFSR Supreme Soviet, 11th Convocation, approved the RSFSR State Budget for 1987 with revenues and expenditures of 107.8 billion rubles and a growth of 5.4 percent. This is the highest growth rate of the size of the budget in recent years.

In the 5th Session of the USSR Supreme Soviet, 11th Convocation, it was noted in the report on the State Plan for the USSR's Economic and Social Development Over the Period 1986-1990 that concern about the state budget is a most important prerequisite if our plans are to be realistic, and every association and enterprise must take an active part in generating the revenues of the budget.

Receipts from state enterprises and economic organizations comprise nearly 90 percent of all the revenues of the republic's budget. It needs to be emphasized in this connection that at the present time profit has a greater role as a source of budget revenues and in strengthening the financial base of the basic level of the economic system--associations and enterprises.

Profit from all lines of activity in the republic's economy for 1987 is projected at 38.3 billion rubles, which is a growth of 7.9 percent. Out of that total 19.5 billion rubles are to go into the budget. Planning targets for profit and payments into the budget are strenuous.

The principle of profit distribution based on standard rates, which makes it possible to eliminate excessive constraints and regulation of the activity of economic organizations, affords them additional rights, and strengthens economic motivation of work collectives to achieve high end results, is being applied ever more widely in relations of enterprises and associations with the

budget. At the same time they bear considerably greater responsibility for discharging obligations to the state.

In the light of the present-day demands for improvement of the economic mechanism a crucial task is placed on the personnel of financial authorities, Gosbank and Stroybank institutions, as well as economic and financial departments of sectors and branches. The work they do must promote improvement of the finance-credit mechanism, a growth of its importance in management of the economy, a rise in the efficiency of social production, and closer monitoring of optimality in use of resources of various kinds so that every ruble invested in production yields the maximum return. This requires speeding up the process of restructuring the financial and economic effort, new approaches to solving the problems of mobilizing untapped potential within the economic entity, and augmenting the revenues of the budget in the light of the decisions of the 27th party congress and the June (1986) Plenum of the CPSU Central Committee.

The strengthening of finance-credit pressure toward increasing economic efficiency is manifested in assignment of the most important proportions in the formation and use of financial resources in the republic, in the guarantees they give of comprehensive and proportional development of the sphere of production and the sphere of social welfare and culture, in the concentration of financial resources along those lines of development which had priority, and in the search for untapped internal potential for uninterrupted and complete financing of the measures envisaged by the RSFSR State Plan for Economic and Social Development and the RSFSR State Budget for 1987.

The content, organization, and operating procedures of finance and credit authorities are undergoing change even now. Their most important task has also been defined: not detailed regulation of enterprise activity, but economic stimulation as a function of end results, and a strengthening of the circulation of money and cost accounting.

This makes it mandatory to use more effectively those finance and credit instruments that have proven themselves in practice. Fuller use needs to be made of the possibility for vigorous pressure on the economy embodied in financial and budgetary planning, and the quality and effectiveness of economic analysis need to be improved. Jointly with other economic and oversight authorities they must examine at a high professional level the results of the financial and economic activity of ministries, departments, associations, enterprises, and organizations for 1986. Principal attention here must be directed toward discovering the profound causes for nonfulfillment of plans, toward discovery and activation of untapped internal potential, toward the drafting and application of specific proposals cleared with the specialists of branches and sectors aimed at improving financial indicators and at strengthening the principles of cost accounting, self-support, and self-financing so that budget revenues are augmented on that basis.

The specialists of financial authorities must pay particular attention to achieving intensification of the economy on the basis of faster scientific-

technical progress in the economy, since in spite of certain favorable results, the effort that has been made along those lines in the republic is still not meeting present-day requirements.

RSFSR ministries and departments are still not making full enough use of the productive and scientific potential that is already in place, and the untapped potential and opportunities that exist are not being utilized sufficiently.

An analysis shows that in a number of ministries and departments certain subbranches are operating unsatisfactorily and that is having an adverse effect on the overall results for the branches as a whole. For instance, capacity is being used inefficiently at many enterprises in the garment industry of RSFSR Minlegprom, fish farms of RSFSR Minrybkhoz, in the food industry of RSFSR Gosagroprom, and also brick plants of RSFSR Ministroymaterialov which have been furnished imported equipment. For example, in the garment industry of RSFSR Minlegprom unsatisfactory use of highly productive fully mechanized lines (86.8 percent) resulted in an output that was 245 million rubles short for the 11th Five-Year Plan.

The tasks of retooling are being performed slowly. Sometimes the designs of new construction projects and plans for retooling, reconstruction, and expansion of existing enterprises incorporate obsolete manufacturing processes and equipment, so that it is not possible to reorganize production responsively to produce a new product in accordance with changing demand.

Nor has there been widespread adoption as yet of the Leningrad initiative to use the progressive new part of productive capital under full load in two or three shifts, to retire outdated equipment from operation, and to organize up-to-date production in the space created.

There is a shortage of output and budget revenues running into hundreds of millions of rubles in the republic because of ineffective use of the production technology and economic potential.

It was noted at the 27th party congress that there is also much room for improvement in the use of labor resources--the level of labor productivity is still low, incentives are ineffective, and the organization of work is not high enough.

In the Russian Federation manual labor still has a sizable share at many enterprises in various branches and sectors. For example, it runs 45-50 percent at industrial enterprises of RSFSR Minmestprom, RSFSR Minrechflot, and the food industry under RSFSR Gosagroprom.

This requires a determined acceleration of the rates of mechanization and automation of production, job evaluation and optimization, and the application of progressive methods of the organization of work on the principles of cost accounting. At present funds for remuneration of labor and material incentives are not always being spent effectively enough, and workers are not sufficiently stimulated to make a greater personal contribution to acceleration of scientific-technical progress. For instance, at enterprises of RSFSR Ministroymaterialov checks have revealed cases where remuneration was



increased for overfulfillment of outdated or excessively low output quotas and when supplements and benefits were unjustifiably retained when the technical-and-economic indicators deteriorated.

The task was set at the 27th CPSU Congress of decisively raising the role of science in the qualitative transformation of the productive forces, in conversion of the economy to comprehensive intensification, and in raising the efficiency of social production.

RSFSR has an advanced network of scientific research institutes and design organizations where large staffs of scientists are concentrated. Sizable resources are allocated every year from all sources to finance the development of science. The achievements of scientists of the Russian Federation in various spheres of knowledge have won general recognition. But today the effectiveness of science has to be evaluated according to the influence which it is having on development of the economy.

Checks and economic analysis show that the potential of academy, VUZ, and sector science in the Russian Federation is still being underutilized. In a number of cases the economic effectiveness of scientific research is low, and in a number of cases scientific developments and the experimental prototypes of new technology guaranteeing a substantial rise in product quality have a very hard time winning acceptance for application in industry and other sectors.

The results of scientific research are not applied for long periods of time at enterprises of Minlegprom, Minmestprom, Minbyt, Minrechflot, Mingeo, and other ministries and departments in the republic. All of this stands in the way of full realization of the potential that exists for increasing the output-capital ratio, for reducing production cost, for improving the quality of products, jobs, and services, and for increasing profit and budget revenues.

Administrations of RSFSR Minfin, along with the Scientific Research Finance Institute of USSR Minfin and local financial authorities should analyze more thoroughly the effectiveness of utilization of resources allocated from various sources for the development of science, and along with scientists and sector specialists they should work out specific proposals for making institutions of academy, VUZ, and sector science more responsible for increasing the results of research and development and for speeding up their application to production so as to exert an appreciable influence toward raising its technical level. It is indispensable in this connection to compare the actual economic benefit from application of developments to the benefit which had been calculated.

In order to carry out the program for intensification of social production there is also a need to alter the orientation of the economic mechanism and to instill a cost-fighting attribute in it, strengthening its impact on conservation of all types of resources. This is one of the most important matters in the economic and oversight effort of RSFSR Minfin and local financial authorities.

The plan for reduction of the production cost of industrial products was fulfilled last year for the republic as a whole. At the same time in a number of sectors and branches not enough attention was paid to this principal factor in the growth of profit and a most important condition for transition to self-support and self-financing. One out of every four or five enterprises in the textile and fuel industries and also the building materials industry allowed the cost of production to rise.

A sizable number of enterprises did not fulfill the assignment for reduction of production cost in Ivanovo, Kalinin, Kirov, Pskov, and Tyumen Oblasts.

At enterprises in light industry and local industry sufficient use is not being made of production waste and local sources of raw materials. This deficiency was pointed out to the RSFSR Minmestprom in a session of the Commission for Industry of the RSFSR Supreme Soviet. But problems in increasing the volume of production and better utilization of local raw materials and production waste are being resolved slowly.

In certain branches and sectors there is still an unjustified buildup of physical inventories, which means that resources are diverted out of circulation for a lengthy period of time. This is the situation in many associations and enterprises in light industry, the textile industry, the fuel industry, consumer services to the public, etc.

The "eating up" of "own" working capital--a most flagrant violation of financial discipline--has become a quite common phenomenon. It has become the practice of certain enterprises and ministries to "shake down" resources from financial authorities to cover the shortage of working capital, but actually it is shortcomings in their operation that are being covered.

In a number of cases the mismanagement of physical, labor, and financial resources results in an operating loss for certain products and enterprises. The number of enterprises operating at a loss is particularly high in the industry of Minstroyaterialov, Mintopprom, Gosagroprom, Minvodkhov, and Minavtodor in the republic. Operation at a loss runs counter to the principles of cost accounting, engenders dependency, and orients the enterprises which are operating poorly toward endless begging for financial assistance and adjustment of plans.

RSFSR Minfin and local financial authorities, along with Gosbank and Stroybank institutions, should on the basis of the data of a thorough analysis and checks of the financial and economic activity increase the effectiveness with which financial and credit levers operate on RSFSR ministries and departments, councils of ministers of autonomous republics, and ispolkoms of soviets of people's deputies so that they make a more vigorous effort to make maximum use of the resources available at associations and enterprises, reduce operating losses, and discharge obligations to the budget.

Finance and credit authorities should actively promote broader use in the sectors of the economy of the opportunities provided for in the Law on Work Collectives. The management bodies and managers of associations and enterprises should be given insistent recommendations that they orient work

collectives toward combating cases of mismanagement and laxity, deception and realization of income without work; to constantly maintain the problems of thrift in the field of vision (pay awards for highly productive work, for economical and optimal expenditure of raw materials, electric power, and fuel, and to render a strict accounting for overexpenditure of resources), to study and disseminate widely the experience of a thrifty attitude toward public property.

The shortage of "own" working capital will have to be covered exclusively from the profit of associations and enterprises obtained from measures specifically worked out for that purpose and also from reduction of expenditures and deductions in accordance with the normative acts in effect. Observance of this principle will be conducive to the transition to full cost accounting, self-support, and self-financing, as well as to attainment of high end results. This will make it possible for the economic and financial departments of branches and sectors to raise the level of their own effort and to make a weighty contribution to the restructuring of the economic mechanism and the system of management.

One of the most important sources of budget revenues is the turnover tax. Collection of the turnover tax planned in the RSFSR for 1987 is 60.6 billion rubles. Out of this 46.4 billion rubles goes into the republic's state budget. The turnover tax is determined according to the planned volume of production, adjusted for improvement of assortment and the quality of consumer goods.

We should note that the demand is still not being met in the public for high-quality and stylish clothing, footwear, fabrics, goods for young people, sophisticated household appliances, building materials, and goods used in the household.

Because of their poor performance characteristics some goods sit in warehouses and depots, they are discounted, and this absorbs immense resources. In 1985 alone about 1 billion rubles went for this purpose from all sources. These are direct losses to society, and this cannot be put up with any longer.

These problems cannot be solved fundamentally with any sort of one-time measures; what is needed is a purposive effort on the part of ministries, departments, and ispolkoms of soviets of people's deputies to guarantee fulfillment of planning targets and an additional output of profitable and tax-intensive goods and to expand paid services and introduce new types.

But these requirements are not being met by everyone by any means. For instance, enterprises of USSR Minzhivmash, Minenergomash, and Mintyazhmash, which have a commodity output of only 15-35 kopecks for every ruble of the wage fund, are not making the contribution they should to solving the urgent problems of furnishing the republic's population the goods they need. Nor are production plans for a number of consumer goods being met by enterprises of Minlegprom, Mintekstilprom, Ministroymaterialov, and the republic's Gosagroprom.

An increasingly large number of enterprises are failing to undertake the production of consumer goods in Tuva and Chechen-Ingush Autonomous Republics and in Gorkiy, Murmansk, Orenburg, and Sakhalin Oblasts.

According to calculations of the TsENII of RSFSR Gosplan, only a third of the optimum standard had been met by paid services in the republic as a whole. Personal expenditures in RSFSR to pay for services represent only 10 percent of all money expenditures.

The republic's financial authorities and bank institutions must join planning and economic authorities in sharply invigorating the effort to prepare and submit for consideration to councils of ministers of union republics and ispolkoms of soviets of people's deputies specific proposals for increasing the output of high-quality goods and services needed by the public and for guaranteeing unconditional fulfillment of the targets of the Comprehensive Program on this question by all enterprises regardless of their departmental subordination. This will promote fuller satisfaction of the effective demand of the public, improvement of the circulation of money, fulfillment of the cash plan of USSR Gosbank, and a growth of budget revenues.

RSFSR Minfin has studied the experience in Ulyanovsk Oblast to replenish commodity stocks and financial resources in connection with reduction of the production and sale of alcoholic beverages and has sent the relevant material to local financial authorities, which will assist them in a better handling of these matters.

Close contacts are indispensable in the work which the financial system does with authorities of RSFSR Goskomtsen. In this connection we should take into account that in the context of the restructuring of the economic mechanism prices have a larger role to play in reflecting more fully the socially necessary expenditures of labor and in guaranteeing conditions for objective evaluation of the results of economic activity, for stimulating scientific-technical progress, and for improving product quality. Broad use of negotiated and temporary prices, supplements, and discounts should be recommended.

The RSFSR State Budget for 1987 stands out because of a number of fundamental features. Under the new economic conditions, as enterprises make the transition to full cost accounting, self-support, and self-financing, and as the social orientation of the plan and the republic's budget becomes stronger, it becomes considerably more important to have the strong financial base necessary for carrying out the broad program for dynamic development of social production and for the steady rise in the material and cultural level of the people that has been outlined for the current year.

Joint financing from budget resources and the resources of enterprises and sectors and branches is being widely used to guarantee accelerated development of the production infrastructure. In 1987 appropriations from the budget to finance the economy will be 55.2 billion rubles, and this figure increases to 98.4 billion rubles when the "own" resources of enterprises, associations, and economic organizations are included.

But increasing the amount of financing for the branches and sectors of the economy is not the only condition necessary for solving the problems that have been set of accelerating socioeconomic development. It is important to guarantee a more effective structural policy. This requirement has been reflected in the budget's plan and budget.

The industry subordinate to the RSFSR Council of Ministers mainly produces consumer goods, and in the 12th Five-Year Plan it will be developing at an accelerated rate.

Speaking in a meeting of the aktiv of the Leningrad party organization, M. S. Gorbachev criticized the state of affairs in light industry and pointed up its technical backwardness. In 1986 the party and government made decisions aimed at a radical restructuring of the activity of enterprises and associations in this sector. These measures are being backed up with the relevant physical and financial resources. In 1987 appropriations to carry out measures to augment production and improve the quality of consumer goods, amounting to 3.5 billion rubles, for enterprises in the republic's Minlegprom and Mintekstilprom are 1.2-fold greater than in the 1st year of the current 5-year planning period. And plans call for appropriating 6.2 billion rubles in 1987 for development of all branches of industry subordinate to the RSFSR Council of Ministers.

The central component in the investment policy outlined by the 27th CPSU Congress is the restructuring of capital construction. Capital investments for retooling and reconstruction of the existing productive plant are increasing 9.7 percent, and their share in construction of projects for production purposes will be 48 percent, as against 44.7 percent in 1986.

RSFSR Gosstroy, the Russian Republic Office of USSR Stroybank, and the Russian Republic Office of USSR Gosbank, and their local agencies are called upon to monitor strictly the rise in the effectiveness of capital investments, improvement of their reproductive and technological structure, and the concentration of resources on building projects that determine scientific-technical progress. It is indispensable in this regard to pay particular attention to the modernity and quality of the housing stock activated, social welfare and cultural institutions, and facilities for consumer and municipal services to the public. This is called for by the decree of the CPSU Central Committee on progress in fulfilling the national economic plan for social welfare and cultural construction in 1986.

The policy report of the CPSU Central Committee to the 27th party congress noted that the lag of agriculture is being overcome quite slowly and that there is a need for a decisive change of direction so as to noticeably improve the food supply to the public before the end of the 12th Five-Year Plan.

Immense physical, technical, and financial resources are being allocated to develop agricultural production and the branches of the agroindustrial complex related to it. In 1987 42.4 billion rubles are being appropriated for these purposes from all sources, including 20.9 billion from the budget. It is very important that the resources allocated be used purposefully and with a maximum return.

Last year the republic's kolkhozes and sovkhoses achieved financial and economic indicators which were not bad. There were many examples of this in Bashkir and Tatar Autonomous Republics and in Belgorod, Kuybyshev, and Lipetsk Oblasts. The "Kuban" Agro-Industrial Combine in Krasnodar Kray, the "Stavropolskoye" Broiler Production Association, and others increased the output of high-quality farm products using up-to-date equipment and technology on the basis of full cost accounting.

At the same time economic results in the republic by kolkhozes and sovkhoses are still more mixed than they should be in one and the same zone and even in a single rayon, which is mainly a consequence of the differing level of economic performance. Total indebtedness based on bank credit is not diminishing, and many farms are operating at a loss. For instance, in spite of the substantial aid of the state, there are still a large number of farms operating at a loss in Bryansk, Kalinin, Orenburg, and Chita Oblasts.

Financial authorities must do everything to promote a further improvement of management and the economic mechanism in the republic's agroindustrial complex and for broad introduction of full cost accounting at all its levels and in all its entities, so that payment is made directly dependent upon the quality and quantity of work and on the end results.

There is a need for further improvement of credit relations of the participants in the agroindustrial complex with the bank. The Russian Republic Office of Gosbank should use credit to exert a greater influence on the economic results of enterprise operation and on the level of discipline with respect to settlement and payments.

In view of the important role of transportation, 9.4 billion rubles are being allocated from all sources in 1987 to develop highway and pipeline transport and the river fleet and to build and repair highways.

Specialists of financial authorities, in working to finance, analyze, and monitor the activity of organizations of RSFSR Minavtotrans, RSFSR Minrechflot, RSFSR Minavtodor, and the republic industrial association "Transprogress," must pay principal attention to efficient use of resources allocated to solve the problems of transportation, to achieve full satisfaction of the requirements of the economy and the growing demand of the public for transportation, as well as for road construction.

It is a typical feature of the republic's plan and budget for 1987 that its orientation toward social welfare is stronger than it has been. High rates of development of the branches of physical production make it possible to achieve an accelerated growth of the prosperity of the people.

In 1987 12.5 billion rubles are to be allocated in the republic to develop the trade sector, consumer services to the public, and housing and municipal services from all sources.

Financial authorities should restructure their effort to finance trade organizations. Principal attention needs to be paid at the present time to

providing assistance and to monitoring how thoroughly enterprises in the trade sector are preparing for the transition to the new economic conditions as of 1 July 1987. The specific measures to overcome substantial shortcomings in the activity of trade organizations, to achieve the 6.2-percent higher level of retail sales, to increase economic pressure toward expansion and better organization of trade on kolkhoz markets, and to reinforce the constructive trends in organizing the autumn sale of fruit and vegetables must be under constant observation.

Financial authorities must impose higher requirements on the financial activity of enterprises and organizations rendering consumer services to the public and in the housing and municipal service sector. The level of performance of the consumer service department in the republic is not meeting the demands of the public, its entire activity is being restructured quite slowly, there have been no very radical shifts in the quality of services and customer treatment. There has been a lag in the growth rates of the volume of services paid for by the public. Budget appropriations and the "own" financial resources are being inefficiently used by the enterprises of RSFSR Minbyt.

The effort of organizations in the housing and municipal service sector is still not meeting present-day requirements, nor is it fully meeting the larger needs of the population. A sizable number of organizations of RSFSR Minzhilkomkhoz have not been fulfilling assignments for reduction of the specific rates of consumption of fuel, thermal energy, and electric power.

Financial authorities must vigorously promote improvement of economic performance in the system of RSFSR Minbyt and RSFSR Minzhilkomkhoz and orient the specialists of these sectors toward economical and optimum expenditure of labor, physical, and fuel and energy resources and toward a substantial rise in the quality of customer service.

State insurance is undergoing further development in 1987. Proceeds from voluntary insurance of individuals amount to 6.2 billion rubles, and proceeds are 9.6 billion rubles for state insurance as a whole. At the present time more than 115 million personal and property insurance contracts have been concluded with citizens of RSFSR, which is an average of 2.6 contracts per family. In 1987 plans call for further expansion of services rendered to the public by state insurance institutions. RSFSR Glavgosstrakh and local insurance agencies need to bring their service to policyholders up to the level of present-day requirements. The shortcomings that exist in development of state insurance in North Osetian ASSR, Kursk, Orel, and Tambov Oblasts, and the city of Moscow should be resolutely corrected.

The state budget and the finances of the sectors of the economy are called upon to play a vigorous role in carrying out the social welfare program advanced by the 27th CPSU Congress. Appropriations from the budget for social welfare and cultural programs have been set at the amount of 49.2 billion rubles in 1987, which is an 8.7-percent growth over the plan approved for 1986 and a 1.5-fold higher growth rate than the growth of the total volume of budget expenditures.

Appropriations for education, culture, health care, and social security are increasing at a high rate. Expenditures for individual social welfare and cultural measures amounted to:

Indicator	In billions of rubles		
	1986, Approved	1987, Adopted by Supreme Soviet	Growth of Budget Ex- penditures
Public education, science, and culture	16.0	17.4	+1.4
Health care and physical fitness	9.1	9.7	+0.6
State social security and social insurance	20.2	22.1	+1.9

Substantial financial resources are also being allocated for these purposes from the respective funds of associations and enterprises and from the resources of trade unions and other public organizations.

All of this will make it possible to substantially bolster the material and technical base of social welfare and cultural institutions. Financial resources will be furnished for all the measures to reform general and vocational secondary education, for further development of higher education, and also the measures envisaged by the comprehensive program "Health of the RSFSR Population." Greater state assistance is being given to elderly and disabled citizens living alone and indigent families with children; the size of benefits to persons disabled since childhood are being increased.

The specialists of financial authorities should conduct their effort to plan expenditures, analyze reports, and conduct inspections of the institutions of the system of ministries of education, higher and secondary specialized education, health, culture, social security, Gosprofobr and Goskomsport in a new way, in the light of present-day requirements. More attention needs to be paid to the problems of guaranteeing their full assimilation and use to the best advantage of the resources allocated from all sources to develop the sphere of social welfare and culture.

Financial authorities must be particularly mindful as to how thoroughly institutions in the nonproduction sphere are studying and disseminating the experience that has been gained in improving services to the public, in developing paid groups and sections within organizations for culture and athletics, and the extent to which untapped potential is being activated for creative and fruitful use of leisure time by adults and children.

As noted at the 27th CPSU Congress, the restructuring of the economic mechanism urgently requires an improvement of methods of management, a reduction of the size of the management staff, and a higher level of its effectiveness and competence. Appropriations to maintain government bodies and agencies, administrations, and judicial authorities amounted to 1,073 million rubles in 1987, or about 1 percent of total budget expenditures.



Development of the system of economic standards and allowances should promote performance of the task outlined at the party congress of improving the organizational structure of management at all its levels and in all entities of the economy.

A new procedure is also being introduced for determining the makeup and staff size of government administrative agencies in the autonomous republics, krays, and oblasts.

Given those conditions, substantial changes are needed in the effort of financial authorities to finance and to monitor the expenditure of resources to maintain the administrative apparatus. Specialists of financial authorities should check the effectiveness of use of new methods of planning and take an active part in improving the organizational structures of management.

The Basic Directions for the Economic and Social Development of the USSR Over the Period of 1986-1990 and up to the Year 2000 envisage among the set of measures to improve management of the economy a larger role for accounting and auditing in guaranteeing optimum and economical use of resources, a stepped-up campaign to preserve socialist property, and the task was set of reducing and simplifying reporting. Financial authorities must provide help and encouragement to the sectors of the economy in organizing efficient and effective accounting and auditing and in compiling reliable reports.

The effort of the monitoring and auditing apparatus of RSFSR Minfin must also be organized in the light of the present requirements with respect to improving the management of the economy. In conducting audits and inspections it should be more thorough in discovering the untapped potential in sectors for increasing accumulation and payments into the budget, discover how fully the opportunities contained in the new economic conditions are being utilized, how intensive factors of economic growth are being put to advantage, and how the effectiveness of internal departmental control is being improved. Inspectors and auditors, as well as specialists of financial authorities, must always keep an eye on enforcement of the law on self-employment and actively combat such evils as mismanagement, deception, and realizing income that has not been earned.

One of the most important financial and economic instruments guaranteeing comprehensive economic development within the jurisdiction of soviets of people's deputies are the state budgets of the autonomous republics, krays, oblasts, and the cities of Moscow and Leningrad. Year after year local budgets have been growing; they have been set at 34.6 billion rubles in 1987.

Supplemental measures are being taken in the 12th Five-Year Plan to improve the economic mechanism of the economy aimed at increasing the motivation of soviets of people's deputies to improve the performance of all associations, enterprises, and organizations located in their jurisdiction and to tighten responsibility for the end results. These measures will have the practical effect of bolstering the revenues of local budgets.

Financial authorities must take an active part in performing the important tasks which face sectoral administrative authorities, councils of ministers of autonomous republics, and local soviets in the practical implementation of the decree of the USSR Central Committee, the Presidium of the USSR Supreme Soviet, and the USSR Council of Ministers entitled "On Measures To Further Enhance the Role and Strengthen the Responsibility of Soviets of People's Deputies for Acceleration of Socioeconomic Development in the Light of the Decisions of the 27th CPSU Congress" and the decree of the Presidium of the RSFSR Supreme Soviet and RSFSR Council of Ministers on this topic.

But in analyzing the causes of shortcomings and oversights in fulfillment of plans for budget revenues and state income in 1986, it should be noted that financial authorities of Bashkir ASSR and Astrakhan, Voronezh, Kursk, Orenburg, Ryazan, Tambov, and a number of oblasts have under the problematical economic conditions not shown initiative and a creative approach in their effort to discover untapped internal potential, to mobilize additional proceeds from the turnover tax and payments from profit and other sources of budget revenues.

Financial authorities must show maximum persistence and initiative for a radical improvement of their economic and monitoring effort and for unconditional fulfillment of the RSFSR State Budget and local budgets with respect to revenues and the plan for state income.

In the central apparatus of RSFSR Minfin and local financial and insurance authorities a restructuring is taking place of the style and methods of work; it is aimed at strengthening the pressure exerted through finances and budgets on the economy. The methods and practice of conducting economic analysis and of processing planning, reporting, and auditing information are being improved. Great importance is being attributed to improvement of the effort to examine written and oral statements from individuals. An effort is being made to reduce the paper flow and red tape. Forms and methods of work which have not justified themselves should be given up more resolutely.

A decision of the Collegium of RSFSR Minfin dated 17 October 1986 ordered subdivisions of the central apparatus and local financial and insurance authorities to monitor more closely the authenticity of reports and information submitted on fulfillment of national economic plans and obligations, to arrive at an objective appraisal of the state of affairs on these matters, and to raise the question of accountability of those at fault more severely and scrupulously.

An important characteristic of the current year is the further development of socialist democracy and self-management in the light of the decisions of the 27th CPSU Congress. Soviets of people's deputies now have broader rights and greater responsibility for acceleration of socioeconomic development within their respective jurisdictions, which makes it possible for them to take greater advantage of the opportunities for comprehensive solution of urgent problems of the national economy through optimum combination of regional and sectoral principles of management.

Under the new conditions of the activity of financial authorities legal instruments have greater importance and a greater role. Legal instruments need to be used to develop socialist enterprise, in the drive for adherence to financial discipline, for preservation of state and public property, to combat cases of mismanagement and wastefulness, and to shut off sources of income not based on work. Within the financial system a thorough study should be organized of the new legislation and normative acts, practice in enforcing it should be summarized, and shortcomings and oversights in this area should be discovered and corrected in good time. Norms and regulations which are no longer effective should be revised and revoked in good time.

Analyzing the results of fulfillment of the RSFSR State Budget for 1986 and outlining the tasks for the current year, RSFSR Minfin proposes that every specialist in the financial system take an active part in the restructuring of economic and monitoring work aimed at strengthening the pressure exerted through finance and the budget on the economy. The experience and organizational effort of financial authorities must be concentrated on solving the tasks they face in fulfilling the republic's plan and budget, which will be a distinguished contribution to the cause of boosting the economy and the prosperity of the people.

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CSO: 1820/114

## NEW APPROACH TO RESOURCE CONSERVATION PROPOSED

Moscow MATERIALNO-TEKHNICHESKOYE SNABZHENIYE in Russian No 2, Feb 87 pp 35-40

[Article by S. Novikova, Scientific Research Institute for Saving and Organizing Material and Technical Supply department head, and O. Popov, senior scientific associate, under the rubric "Mechanism for Managing and Conserving Resources": "A New Approach to Conserving Resources"]

[Text] Moscow--With the participation of USSR Gosplan agencies, approximately 9 million tons of rolled ferrous metal products, more than 10 million tons of cement, more than 18 million cubic meters of wood, and 140 million tons of fuel and energy resources were saved in the branches of the national economy during the years of the 11th Five-Year Plan. The specific consumption of materials for social production decreased by 16 billion rubles during the five-year period, the specific consumption of energy in the national income decreased by 5.4 percent, and the specific consumption of metals -- 10 percent. Almost half of the increase in the requirement for fuel, energy and rolled ferrous metal was satisfied by the savings in them.

At the same time, a radical turning-point in improving the use of material resources still did not appear. The targets of the 11th Five-Year Plan for conserving rolled ferrous metal products, cement, lumber and several very important types of chemical products were not reached. The disregard of such sources for reducing expenditures as the replacement of organic fuel with non-traditional energy sources and the lowering of expenditure norms for electrical power and light oil products led to the disruption of the control figures for conserving fuel and energy resources. Up to the present time, the majority of industrial branches have not managed to overcome the negative trend in the outstripping growth rates in stocks of commodity material valuables relative to the increase in gross social product. The percentage of secondary resources in the overall structure of material consumption continues to remain unjustifiably low.

These deficiencies have been caused to a well-known degree by general economic reasons and by those negative trends that took shape in our economy by the end of the Seventies and the beginning of the Eighties. The 27th CPSU Congress talked about them in detail.

However, one cannot fail to see that a certain amount of guilt for the situation, which has taken shape, also lies on the state material and technical supply system, to whom the role of coordinator of the work to conserve resources in the country has been entrusted. The influence capabilities of USSR Gosplan as the organizer of public production, the largest customer, and the mediator of the technical level and quality of produced products, were not sufficiently used. Its agencies often did not follow a clear material-conservation policy, passively distributing what the manufacturing ministries offered to them.

The planning levers for controlling resource conservation were poorly used. USSR Gosplan essentially did not participate in the development and realization of branch and regional programs to save raw material and fuel and energy resources. This led to the prevailing of a narrow departmental approach in them and to the replacement of cardinal tasks with a collection of numerous but unimportant measures. In particular, the "Conservation" program, which has been developed by the USSR Ministry of the Chemical Industry for the current five-year plan, has been recognized by the Interdepartmental Commission as not solving those tasks, which face the ministry, for this reason.

It is also necessary to point out that the work of USSR Gosplan agencies in setting norms for the expenditure of material resources is not sufficiently linked with the development of new economical items and their introduction into production and with the use of secondary resources. The expenditure norms, which are in effect in many branches, and the norm and technical documentation often orient designers toward the building of items which are inferior to the best foreign analogues in their qualitative characteristics and specific consumption of material. You cannot manage with inspections, incidental control and a partial review of individual norms. The purposeful activity of branch science and especially of the Scientific Research Institute for Saving and Organizing Material and Technical Supply, which still has not moved to the level of the tasks facing the branch, is needed.

The inadequate methodological role of USSR Gosplan agencies in using economic levers to influence resource conservation, in particular, when establishing material incentive systems for conserving and rationally using resources, was also revealed. Without violating the prerogatives of enterprises, USSR Gosplan agencies should have been able to provide systematic help during the development of systems to encourage the conservation of resources primarily through their own scientific subunits and to disseminate progressive experience more actively.

What is the essence of restructuring and what new tasks are rising before USSR Gosplan agencies in the area of resource conservation? These are the questions which disturb many people today. Let us try to answer them in some measure.

One of the avenues for restructuring the work of USSR Gosplan agencies for the rational use of material resources is the expansion of the customer's capabilities to influence the technical level and quality of products.

The tasks, which have been posed for the first time to USSR Gossnab agencies for coordinating work in the area of resource conservation and organizing the unfunded distribution of products through the wholesale trade system, serve this purpose. The solution of these tasks requires a study of the demand situation and the formation of a progressive structure for the use of materials and equipment, the establishment and assurance of the functioning of interbranch and interfarm associations for the processing of secondary raw material, the development of regional conservation programs, etc.

With such a broad interpretation of this concept, the coordination functions of resource conservation include:

- interdepartmental coordination of production plans from the point of view of streamlining the material use structure;
- organization of the development and realization of branch and regional "Conservation" programs with USSR ministries and departments and council of people's deputies agencies;
- constant monitoring of the activity of ministries and departments (central staff administration, USSR Gossnab supply and sales main administrations, and USSR Gossnab enterprise main administrations) and enterprises and organizations (union republic gossnabs and main territorial administrations) in order to reveal reserves for conserving resources;
- Scientific Research Institute for Saving and Organizing Material and Technical Supply organization of the work to coordinate the efforts of branch scientific research institutes in order to solve the main resource conservation tasks;
- the following of a single resource conservation policy in the area of improving the economic mechanism (indicator, price formation, credit interrelationship, material incentive, and several other systems).

This is far from a complete list of functions and it will be expanded, but the main thing is that the principle result of coordination work must be the transformation of the USSR Gossnab system into an active champion of the party's and state's policy for conserving resources at all links in the national economy.

Thus, the most important function of coordination is guaranteeing that the achievements of scientific and technical progress -- the chief conservation factor -- will be incorporated into production. The decisive role here belongs to the administrations for supplying and rationally using material resources. Their main function is to organize with the ministries and departments joint work for the rational use of the products that are produced and for the improvement of their quality. It is no secret that many questions on improving the use of materials are being solved extremely slowly in the committee's administrations. The work to expand the use of economical types of metal is still being performed unsatisfactorily, salable wood continues to go to the manufacturing of cellulose, and the quality of storage battery products produced by the USSR Ministry of the Electrical Equipment Industry is

low. It is possible to continue such examples. At the same time, there are administrations, for example, the administration for ferrous metals, where the attitude toward resource conservation problems is very intense. The attention and work results are well matched. Consequently, the system's potential has still not been fully reached. The USSR Gosplan supply and sales main administrations can take a more active position in the task of coordinating actions to save resources. Their task in this area is to coordinate the efforts of the ministries in the search for effective substitutes and in the use of secondary resources during the compiling of balances and distribution plans.

Fundamentally new tasks face USSR Gosplan with respect to resource conservation in a regional aspect. Under the conditions of restructuring the national economy and improving attention toward territorial aspects of control, supply agencies on the spot must seriously improve this work. We are primarily talking about the development of regional programs for conserving resources jointly with council of people's deputies agencies.

As is known, beginning in 1987 economic and social development plans will include a section entitled "Raising the Effectiveness in Using and Strengthening the Conditions for Conserving Raw Material, Fuel, Energy, and Other Material Resources." It must stipulate conservation targets during all stages in the development, production and distribution of material resources and also the targets for lowering their expenditure norms. The special-purpose complex programs for conserving resources, which are being prepared, must acquire the status of not simply being some pre-plan document but that of working calculations for the draft of the plan for strengthening thrift conditions. What is the role of USSR Gosplan territorial agencies in this matter? It seems that the main task of the departments (administrations) for conserving and rationally using material resources in the territorial agencies can, at the present time, be the development of the "Complex Plan of Interbranch Measures for USSR Gosplan Territorial Bodies for Using Regional Conservation Reserves", which will serve as a integral part of regional "Conservation" programs.

It is necessary to point out that the majority of the territorial agencies began to develop them in 1985 jointly with the enterprises in the region being serviced. Difficulties, however, arose here. A significant number of the programs, which were prepared by the territorial agencies, include a large number of resource conservation measures essentially recopied without change from the documents of industrial enterprises or construction organizations without any attempt to delve into their essence. Such a "detail" as the fact that not everything planned can and should be coordinated with USSR Gosplan agencies, was not taken into consideration. In our view, the territorial agencies should coordinate only the most important and the biggest measures that are being carried out in the region's enterprises and those that are being realized jointly with the subunits of the territorial body. The recently adopted decisions about enlarging the role and strengthening the responsibility of councils of people's deputies for insuring the integrated economic and social development of the territory are opening up a great deal of elbow-room here. Additional points of contact, which permit the activity for rationally using resources to be intensified, are appearing between the

local agencies of authority and our system. There is the organization of the utilization of temporarily unused production capacities, equipment and warehouse premises; the establishment of interbranch and interfarm territorial production associations, especially for the processing of secondary raw material and the manufacturing of consumer goods and production and technical items from it; the involvement of salable wastes in the national economic turnover; etc.

In this regard, the fraternal socialist countries have instructive experience. An interesting form for influencing the utilization of machinery and equipment in a region exists in the GDR. This work is being conducted on an experimental basis in the city of Karl-Marx-Stadt under the direction of the district and city committee of the Socialist Unity Party of Germany. A territorial planning body, which has been granted the appropriate rights by a decision of the GDR government, heads it. A "reserve bank" of production capacities is concentrated in the city committee. Every machine building enterprise regardless of its departmental subordination submits data for each machine tool and its utilization time using a prescribed form and indicates the free hours and the time required for fulfilling the established plan. At the same time, information is reported on the supplying of the enterprise with manpower. This information is accumulated in the "reserve bank". Summary generalized data about utilization are transmitted to work groups which review the capabilities for increasing it and make decisions together with the directors of interested enterprises about placing orders in enterprises where there are unused capacities. According to data from the Karl-Marx-Stadt District planning commission, an additional 30 percent of free capacities were used as a result of revealing reserves for increasing utilization.

At the present time, the majority of resource conservation tasks are not being solved because of uncertainties in the distribution of duties between the various agencies. This primarily concerns the activity of monitoring the use of material resources and the performance of the coordinating functions by USSR Gosplan agencies in this area. Such wording as "with the participation", "jointly", etc., which is contained in the overwhelming majority of the documents regulating this activity, does not define the degree of participation of this or that body in the realization of the given function and the measure of responsibility for its fulfillment. It seems that the main role of USSR Gosplan agencies in this matter is that of a coordinator. It must keep for itself the preliminary monitoring of the use of material resources during its review of ministry orders and production plans and operational monitoring of the correct and effective use of individual and the most important at that time types of raw materials, materials, fuel, and energy. The major amount of work in the area of monitoring the use and conservation of material resources should be transferred to other state agencies. A certain exaggeration -- which existed -- in the role of the monitoring function by USSR Gosplan agencies did not prove itself in practice. In particular, preliminary monitoring of the effectiveness in using production capacities and capital investments during the compiling of the five-year plan should be entrusted to the USSR Gosplan; operational control for the fulfillment of planning targets in saving material resources -- to the USSR Committee of People's Control; monitoring of the technical level in the development of individual branches and the incorporation of material saving



equipment and technologies -- to the USSR State Committee for Science and Technology; subsequent monitoring of the reality and authenticity of the economic information on resource conservation matters -- to the USSR Central Statistical Administration; and monitoring of the use of the financial resources invested in commodity and material valuables -- to USSR Ministry of Finance agencies and the USSR Gosbank; etc.

When talking about the organization of this work, it is necessary to point out the following factor. It is no secret to anyone that all of the efforts to conserve will come to naught as long as we do not organize a strict accounting of material expenditures at each work position. That is why USSR Gossnab agencies must -- with the participation of interested ministries -- develop an appropriate program for improving the monitoring and provide in it for the establishment of the necessary apparatus. The Volga Motor Works already has positive experience in this work. It is necessary to disseminate it widely, primarily through the participation of territorial agencies.

In our opinion, there is another area of coordination activity that is extremely effective -- the coordination of the scientific research being performed in the country on resource conservation matters. The "Plan for Scientific Research Work Being Coordinated by the USSR Gossnab on Problems Pertaining to the Conservation and Rational Use of Material Resources" was approved in the branch in 1983. It is necessary to point out that such work is being done, but it is necessary to improve it considerably, considering the rights that have been granted to USSR Gossnab. This requires the development of a certain status for the Scientific Research Institute for Saving and Organizing Material and Technical Supply in this matter -- a status which would permit, the coordination plan for resource conservation to be tied, on the one hand, to the plan for the most important work in the area of the natural and social sciences and, on the other hand, with the financing of that work which is stipulated in it.

A new and important problem, which has been assigned to our system, is the gradual shift to an unfunded distribution of equipment, materials and semi-finished products through the wholesale trade system. Its solution is directly connected with improving the use of material resources. It is necessary to mention that an important methodological question arises here. Do we have the right to examine the wholesale trade system as some kind of resource conservation function of USSR Gossnab agencies or, more correctly, to examine it as a task facing them; and, generally speaking, does resource conservation have an independent nature to a certain degree or is it absorbed in the main activity of supply and sales agencies?

Let us assume that it is necessary to proceed from the well known proposition that conservation work cannot be conducted separately from the main activity of enterprises and organizations. Consequently, there is sense in examining it as an inseparable part of the other tasks that have been assigned to state and economic management agencies, consistently ear-marking certain resource conservation functions in the solution of these tasks. In conformity with our system, this means that conservation work must be conducted within the framework of the subunits engaged in supply and sales activity and not only in

specially established administrations and departments for conserving and rationally using material resources.

Wholesale trade is an activity directly aimed at the rational use of material resources. Indeed, the organization of trade based on orders without preliminary requests requires from USSR Gosplan agencies verification of the validity of the claimed need from the point of view of the progressive nature of the applicable norms for expending raw material and materials -- even if this occurs in an obscure manner -- the quality of the design plans and cost sheets, the level of fulfillment of the tasks which have been established by the higher organization for conserving material resources or by the enterprise itself in accordance with the plan, an evaluation of the usage level of secondary resources in production, as well as above-norm and unnecessary commodity and material valuables. In order to perform these functions in supply and sales organizations, it is necessary to have subunits or groups that specially engage in studying the state of affairs in the enterprises being serviced and in the organizations.

In our opinion, moreover, USSR Gosplan agencies have been called upon not only to control the conformity of the order to actual need but also to be active in forming the requirement itself. Here, the advertising of new and advanced products, the carrying out of resource conservation substitutions on the initiative of supply and sales organizations, and refusals to accommodate an order for obsolete and uneconomical items must play a definite role.

The expansion of the resource conservation functions of the wholesale trade system in a new manner raises the problem of stocks. Up until now, research and work in this area revolved primarily around problems of norm setting, the struggle against above-norm residues and -- to a considerably less degree -- the maneuvering of resources. At the present time, economic practices require a shift of stress. The efficient distribution and redistribution of raw material, materials and equipment based on a scrupulous study of the work of the suppliers (a consideration of the enterprises' fulfillment of the production plans, effective planning of deliveries, suggesting rational substitutes, etc.) are moving to the foreground. The unhindered execution of exchange operations and -- even more -- the shift of the enterprises to a management system at whose base lies profit and self-financing, are also changing the approach to the problem of "above-norm items." Undoubtedly, the new management conditions will induce enterprises to rid themselves of the tendency to "accumulate" and force them to turn to the territorial agencies of USSR Gosplan for help in selling products that are not needed by them. Here, USSR Gosplan agencies must be granted the widest authority for the effective redistribution of any product, including the selling of unmarketable products at contract prices.

Along with this, experience shows that exchange operations and maneuvering by resources ease the situation in an enterprise, but do not solve the problem of stocks in general. Why are stocks formed? If one dismisses the discrepancy between the production and supply plans, the main reason is the production of items that are not required by the consumer. It is for this reason that the growth rates of stocks outstrips the growth rates of production volumes. The essence of wholesale trade is coming face-to-face with the consumer and with

the satisfaction of his needs. Under the new conditions, the question arises not of the quantity of products -- are there a great deal or a few of them -- but of their assortment and quality. Not a passive study of demand but aggressive actions in the commodity market, a sensitive reaction to changes in its situation, and work with the suppliers on matters concerning product quality -- these are the tasks which face USSR Gosplan workers in realizing the resource conservation function of wholesale trade. If we return to the question of reducing stocks of materials and equipment, it is necessary to stress not so much the redistribution of above-norm residues and unused resources as it is the disposition of orders for the production of items distributed in the wholesale trade system. With the widespread development of wholesale trade and its transformation into the main form of material and technical supply, it is advisable to include in the production plan products, for which there is no demand from supply and sales organizations and the customers that are being supported by direct ties. Put more simply, supply and sales agencies must put out a covering detachment against the output of items that are not needed by customers.

The development of the fundamental work in the area of resource conservation requires a change in the existing system of material incentives and responsibility for conserving resources in industrial enterprises. Experience has shown that the existing incentive systems do not create a steady interest in the workers in conservation. What should the system for encouraging conservation be? What main propositions should be placed at its base? USSR Gosplan agencies, which are carrying out a unified resource conservation policy in the country, cannot stand aside from the posing of these questions.

When establishing a bonus awarding system, it is evident that it is necessary to proceed from the fact that all participants in the production process must engage in resource conservation. In this respect, the incentive system of each link must be, on the one hand, sufficiently autonomous, that is, it must have its own specific evaluation indicators; and, on the other hand, it must be tied to the final results of the enterprise's activity. Profit is the most important one of them under the new management conditions.

Apparently, it is necessary to conduct the stimulation of resource conservation as direct savings. The bonus awarding mechanism must have an unchanging nature. The fact is that direct savings are -- under the conditions of stable prices -- directly reflected in the enterprise's profit by influencing a reduction in product cost and an increase in the output of products. The more resources are saved, the fewer are the unjustified losses, the lower the costs, and the higher the production volume. Things are somewhat different when solving questions concerning the rational use of material resources. For example, the use of effective substitutes can have for an enterprise an effect on profit that is far from simple. If the substitute is cheaper, which occurs when secondary resources and wastes are used, this will have the effect of lowering the cost of the item and lead to an arrears in profit. If it is more expensive and this can occur during the substitution of edible raw material for synthetic, during the solution of ecological problems and, finally, during the production of items with improved characteristics, this provides a resource conservation effect for the customer but decreases the profit of the enterprise.

There are two possible ways out. One could introduce a system like the one proposed for the USSR Ministry of Light Industry in accordance with which wholesale prices are established for new items that are manufactured from more economical types of raw material and materials, considering differences in quality regardless of the change in expenditures that was caused by decreasing the specific material consumption of the items. Second, it is possible to introduce direct incentives for the workers in enterprises of allied branches from the assets in the economic incentive funds of the enterprise which uses the improved quality products that are arriving from its cooperating partners.

With respect to the production of new and -- at first -- more expensive items, there is sense in using a two-tier system of prices. In this regard, the producer, in putting out a new advanced product and obtaining a prescribed increment to the price for it, begins to sell it to the customer for a more moderate fee. Of course, the increased increment should be in effect, as it is now happening, for only a certain time. The difference in prices must be compensated for by a bank credit. Such a system will permit the organization of the work to decrease the cost, and, consequently, the specific consumption of material in the new item to be placed under the bank's control. This is not presently happening. It is possible to include USSR Gosplan agencies in it also. When organizing the priority supply of a customer producing new equipment, supply and sales agencies could receive an increased payment for their services by means of this same credit. Such a procedure would provide an opportunity for insuring the effective encouragement of supply and sales organization workers and what is perhaps the main thing prevent the appearance of "parasitical attitudes" in the enterprises which have received a "green light" in supply.

The most important principle in restructuring the incentive system of enterprises for resource conservation is the rejection of the practice that has taken shape of determining the amount of the savings from what has been achieved regardless of its qualitative parameters. The fact is that expenditure norms, in relation to which savings are calculated, reflect the levels of resource expenditures that have actually taken shape in that enterprise. Naturally, the relatively higher these expenditures, the larger the opportunities for decreasing them and obtaining "pseudo-savings" whereas, in fact, only the alignment of the expenditure level in comparison with progressive enterprises is occurring. It is evident that the way out consists of using average branch norms. However, this is only half of the task. As is known, savings occur not only from lowering expenditures per unit of production output but also through increasing its qualitative parameters. If the produced items last longer, they are more economical. That is why the time has come to evaluate resource conservation and product quality improvement in a unified incentive mechanism.

A system of indicators, which permits the expenditures of resources to be calculated not per unit of product cost but per unit of its consumer qualities, can serve for this. In order for this proposal to be placed on a practical basis, it is necessary to commission the USSR State Committee for Standards to develop a state-wide system of indicators for the consumer qualities of products, having established for the majority of items produced

norm value scales for consumer qualities and the expenditure of resources required to achieve them. The establishment of such standards will permit the specific consumption of material to move to the international level and our enterprises to be stimulated to exceed it. This will permit the conservation frontiers, which were outlined by the 27th party congress, to be achieved.

Life also urgently requires that the numerous special incentive funds and stimulation systems for resource conservation be repudiated. The diverse bonus awarding forms, which are regulated to the extreme and which are now being used, are not merging into a single channel. Experience shows that a worker often does not clearly know why he is being awarded a bonus. Moreover, the incentive from one fund often exceeds the arrears in another. From this, it is wiser to have one incentive fund and one source for its formation -- profit. Such an incentive system must provide for encouragement only in a case where a considerable growth in the quality of the produced product -- let us say, no less than 50 percent -- and a decrease in the specific expenditures per unit of qualitative parameters are assured.

In talking about the reorganization of the incentive system for conserving and rationally using resources in industrial enterprises, we would like to touch upon the question of raising the responsibility of each one for losses that are allowed. All existing material incentive systems operate by raising wages; it is necessary that they also operate by decreasing them. The experience of the CEMA member countries shows the effectiveness of such an approach when solving resource conservation tasks.

The radical restructuring of the entire system for organizing work to conserve resources requires a great deal of effort. We are standing at the very beginning of this path. Success will depend upon each one of us and on our joint coordinated activity.

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CSO: 1820/119

## GOSSNAB OFFICIAL ON CURRENT STATUS OF MATERIALS RECYCLING

Moscow EKONOMICHESKAYA GAZETA in Russian No 18, Apr 87 pp 6-7

[Article by L. A. Voronin, Deputy Chairman of the USSR Council of Ministers and Chairman of USSR Gosnab: "A Second Life for Resources"; first paragraph is the newspaper's introduction]

[Text] Most of the technology used in industry today is still oriented to the use of only a portion of our raw and other materials. According to the economists' estimates, the country accumulates more than 5 billion tons of waste each year. About 500 million rubles are spent on the upkeep, for example, of the dump heaps of mining-and-beneficiating and power-engineering enterprises. Less than 8 percent of the many tons of waste of the mining industry is used.

The 27th Party Congress pointed out that, in mobilizing existing reserves, "basic attention must be paid to the complete use of existing production capacity, comprehensive savings of raw and other materials, fuel and energy, the use of resource-saving and wastefree technology, and the involvement of secondary resources...."

Speaking about secondary raw materials, it should be emphasized that we are dealing with enormous amounts of valuable materials, the active use of which can increase the national economy's efficiency significantly, release scarce primary raw materials and other materials for more urgent needs, and avert pollution of the environment by waste materials.

Important work has been done recently in the country to put secondary resources into circulation. Sixty-five USSR Ministries and agencies and all the Union Republics have worked out a procedure and have approved branch and republic standards for the collection and utilization of secondary raw materials. A standards base has thus been created for using secondary raw materials, and the organizational bases have been laid for executing planned tasks.

Under the supervision of regional USSR Gosnab organs, descriptive documentation has been prepared on waste materials generated and used. Catalogs of unused waste materials are being issued regularly and are being used to organize the receipt of orders and the shipment of waste materials to customers. Such orders can also be given at displays of waste that have been organized by almost all Union-Republic gosstroy and USSR Gosnab main regional administrations in parts of the RSFSR, the Ukraine and Kazakhstan.

All this has produced a definite result: in 1986 a positive step forward in the use of many of the most important types of waste was planned. Thus, the recycling of phosphogypsum increased over the preceding year by 780,000 tons or 24 percent, steelmaking slag by 12 million tons or 22 percent, slag from phosphorus production by 514,000 tons or 22 percent, wood-products waste by 5 million cubic meters or 8 percent, and secondary textile materials by 94,000 tons or 13 percent.

It has been possible to release many valuable types of primary raw materials by using waste products. For example, the use of wastepaper and wood waste has enabled 47.3 million cubic meters of new wood to be saved, and the involvement of rubber-containing materials (including worn tires) and secondary rubber materials in production has released 147,000 tons of synthetic rubber.

USSR Gossnab system organizations overfulfilled the tasks for the first year of the five-year plan for procuring wastepaper, broken glass, secondary textile materials and polymers. They produced and sold 430 million rubles' worth of industrial output, including more than 400,000 tons of chrome-substitute type cardboard, four-fifths of whose content is wastepaper.

#### A Break with the Past Has Not Occurred Yet

At the same time, it must be said frankly that a radical break in the national economy in regard to the use of secondary raw materials still has not occurred. As in previous year, in 1986 many ministries did not meet the state plan's goals for utilization of important types of waste.

Thus, the goal for using worn tires was met by only 73 percent by USSR Minneftekhimprom [Ministry of Petroleum Refining and Petrochemical Industry], and USSR Ministroymaterialov [Ministry of Construction Materials Industry] met the goal for using the ash and ash-and-slag waste of thermal electric-power stations by only 70 percent.

What were the reasons for these lags? In my view, there are two main causes. First, a shortage of recycling capacity. Second, a weakness of the economic mechanism in this area of the economy. Just what is being done and what still must be done to correct the situation?

In order to energize the work, USSR ministries and agencies and the Union Republics began, starting in 1985, to develop comprehensive branch and regional programs for using secondary resources up to the year 2000. Such programs now exist in 30 USSR ministries and agencies, as well as in many Union Republics and RSFSR regions. The programs call for the execution of a whole aggregate of tasks--from scientific development to creation of the capacity required for recycling various types of secondary raw materials.

In March 1986 the State Program for Using Important Types of Secondary Resources in the National Economy of the USSR for 1986-1990 and for the Period up to the Year 2000, which was prepared by USSR Gosnab jointly with USSR Gosplan and GKNT [State Committee for Science and Technology], was approved. It required that in 15 years the use of secondary raw materials be doubled and their share in the consumption of the corresponding types of raw and other materials be brought up to 20 percent. The program established goals

for the necessary increase in processing capacity. The job now is to see to it that the program is reflected in the plans and the practical activity of ministries, agencies and the Union Republics.

The second task is that of creating a planning mechanism that does not allow the use of primary raw materials and other materials where waste can be used. Moreover, it is extremely important to raise the cost-accounting responsibility of associations and enterprises for using the waste that they generate. This can be done by introducing payments for the incomplete or unsuitable use of secondary raw materials. An interbranch fund for financing development of the collection and recycling of waste could be established through such payments.

Among the main areas for expending resources from the indicated fund is financial assistance to enterprises, associations and local soviets of people's deputies for implementing measures aimed at improving the use of secondary raw materials. Through this fund, scientific-research and experimental design work in the area of collecting and recycling production and consumption waste can be financed, and enterprise, association and organization collectives can be encouraged to achieve the best indicators in using secondary resources. Expenses for holding competitions and organizing publicity, fairs and other measures aimed at improving secondary-resources utilization also could be paid from this fund.

In order to increase the motivation of enterprises and organizations to make more complete and effective use of waste from production and consumption, it is desirable to place at the disposal of the enterprises those material resources that have been saved by additional involvement of secondary raw materials in production operations. They can be used to produce more consumer goods or output for production consumption, and also to create capacity for recycling waste and to build facilities for social, cultural and domestic services purposes.

The supervisors of enterprises and organizations that use secondary material resources obviously should be authorized to transfer a part of the profit obtained from the use of secondary raw materials to the suppliers thereof. The amount of these deductions should be determined on the basis of cost-accounting principles under an agreement between the suppliers of and the customers for the waste.

In order to involve in the procurement of the public's secondary raw materials those organizations and enterprises which, by the nature of their basic activity already work with the public, should grant to the supervisors of shopping-facility, housing-and-municipal-services activity, and domestic-amenity enterprises and organizations, and of public-education and social-support organs, the right to establish for their workers, with the concurrence of the trade-union committees, additional pay through the funds obtained from selling procured secondary raw materials, for their work in procuring this raw material of the public's, in the procedure called for when establishing additional pay for the combining of trades.

Supervisors of enterprises and organizations that procure, process and recycle secondary raw materials should also be authorized to enlist blue-collar



workers, engineers, technicians and white-collar workers of various enterprises (and organizations) for additional duties, outside of their regular work hours.

#### On a Cooperative Basis

Among the measures for improving work on secondary raw materials in the national economy, organization of the procurement and recycling of this raw material on a cooperative basis should be singled out. The Political Report of the CPSU Central Committee to the 27th Party Congress pointed out the need to support the formation and development of cooperative enterprises and organizations in every possible way. Cooperatives that procure and recycle secondary raw materials were the first step in developing cooperative forms of production.

Of course, the organizations and enterprises for procuring and recycling waste that now exist in the national economy are not capable of covering all the existing resources. The level of involvement of these raw materials resources in circulation will still be inadequate by the end of the current five-year plan, despite substantial planned growth in the use of secondary raw materials.

Moreover, in order to collect the public's trash in the required amounts directly at the places of residence, the delivery agents would have to increase the number of assigned and auxiliary procurement personnel 5-fold to 7-fold, bringing the number up to 80,000 to 100,000 people. This is simply precluded by the absence of such workforce reserves in the national economy.

At the same time, it is possible, by cooperative means, to attract additional labor reserves to the recycling of secondary raw materials without increasing the manpower assigned to procurement enterprises. We refer primarily to people of pensioners' age who can, if they so desire, work part time and at home. There are no few working citizens, as well as students, who would like to work in their spare time for extra pay. A cooperative would give them that opportunity.

The government has decided to create under USSR Gossnab's regional organs cooperatives for procuring and recycling secondary raw materials.

It must be said that various categories of citizens have shown great interest in the new procedure. Many suggestions are being received from pensioners, blue-collar workers, students and white-collar workers to create cooperatives for various purposes. These suggestions are being examined attentively by Gossnab and its regional organs and they will be of great help during the choice of final solutions for future moves in the recycling of secondary resources.

Just what is this cooperative? It is a relatively small working collective, 5-50 people, that unites citizens on a voluntary basis and operates under self-administering principles. Functioning within the framework of a socialist system of management, the cooperatives are singular in that, first, they are constructed on a high level of motivation toward the results of their work and on the basis of full economic responsibility for an unsubsidized operation; second, they will use the simplest and most obvious methods

of giving material incentives; and third, they will have an especially flexible and economical control system.

Using the initiative and useful enterprisingness of its members, the cooperatives will adapt easily to the production of various items, based upon the structure of the waste that is offered by the populace and by industry, and also upon the market's requirements for those types of output that can be made from waste.

#### The Purpose--Satisfaction of Demand

At present 240 cooperatives for procuring and recycling secondary raw materials have been created under regional Gossnab organs, more than 100 of which have started work, while the rest are completing preparations--overhauling premises, installing equipment, and so on.

The volunteer collectives are using various kinds of household waste, as well as the waste of textile, garment, leather, woodworking and other production facilities, as the original raw materials. Customers are gladly buying their output.

Just what are they making? Cooperatives have mastered the output of such articles as brushes (the Prometey cooperative in Volgograd), footwear for home use and for infants (the Obuvshchik cooperative in Yerevan, the Ester in Tallinn and the Galentereyshchik in Leninakan), trinkets and souvenirs (the Volgograd's Lastochka and Yerevan's Anait), and parts for personal garages and construction articles (cooperatives in Yakutsk and Neryungri). Specialists have evaluated highly the models and the quality of the brooches, rings and combs made out of ordinary bones by the Poisk cooperative in Belorussia.

A number of collectives are working under contracts with industrial enterprises. Thus the Riga cooperative Entuziast has begun to make outfitting articles from radio-equipment production waste for the Straume association, which produces electrical household appliances. The Kamyshinskiy cooperative (Kamyshin, Volgograd Oblast) has concluded a contract with AvtoVAZ [Production Association of the Volgograd Motor-Vehicle Plant] for sewing 500,000 pairs of gloves made of cotton-combine waste for motor-vehicle assembly workers in 1987.

The Baku cooperative Takrar has begun the collection from the public, at home, of secondary textile materials and wastepaper, which later are to be processed into articles, which will be sold.

The geography of cooperative activity is being expanded intensively. While at first cooperatives were created just in six Union Republics (Belorussia, Azerbaijan, Armenia, Latvia and Estonia and certain RSFSR regions), work on organizing them is now being promoted everywhere, and by the end of the year, according to our calculations, their number will more than double that of today. With their help, we hope to quickly restructure and develop the procurement system in such a way that it will go to the place of residence of each delivery agent and simultaneously will recycle the small amounts of wasted collected from the public into consumer goods or into

output for industrial purposes or will deliver selected raw materials to specialized state organizations.

The work experience of the first cooperatives indicates that it is possible to attract widely to this useful business large numbers of citizens who have available reserves of free time, who, with the acquisition of comparatively simple skills, can procure secondary raw materials directly at the place of residence of the delivery agents and can engage in sorting and cleaning material better or recycle it into consumer goods or other output by uncomplicated operating processes. It is evident from what has been said that the production of various commodities for economic, cultural and household purposes, using secondary raw material, is already being organized directly in the areas where the material is generated and collected.

We are convinced in practice that the public enthusiastically supports the development of new types of work on a cooperative basis and is ready to participate in this important matter with its best effort. USSR Gosplan and its regional organs are striving to promote in every possible way an expansion of the sphere and amounts of activity of the cooperatives.

#### Relying upon Local Organs

The councils of ministers of the union and autonomous republics and the ispolkoms of local soviets of people's deputies have a major role in improving the use of secondary resources. They have recently been granted broad rights and simultaneously have been charged with taking concrete steps toward fuller involvement in circulation in the economy of secondary material resources within their jurisdiction. They should, in particular, jointly with Gosplan, ministry and agency organs, organize the reporting of secondary raw materials and plan the collection and recycling thereof by associations and enterprises of the given region, regardless of their departmental subordination. They have also been charged with expanding the procurement network, with creating cost-accountable associations for the integrated recycling of secondary materials, as well as organizations for procuring and processing this raw material on sharing principles, and with taking the organizational steps necessary for successful work of the cooperatives.

A bright example of the active work of local authoritative organs in the use of secondary resources that have been generated in the region are the Azerbaijan and Latvian SSR's and Leningrad, Kuybyshev and Donetsk oblasts. However, in most parts of the country, local organs of authority are reducing their work with secondary raw materials down to just establishing procurement tasks for Gosplan organizations and consumer cooperatives. In so doing, as a rule, the organizational work is not being done, nor is progress in the fulfillment of these tasks being monitored (except for scrap metal).

But indeed it is more advantageous for the country if secondary resources and production waste are used again in precisely those regions where they are generated. Such a move was adopted in the regional programs of which we spoke above. That aim is being pursued by the creation, by way of experiment, during the current five-year plan of interbranch associations for the comprehensive recycling of secondary raw materials and the manufacture therefrom of consumer goods and other output in the cities of Leningrad, Kuybyshev,

Murmansk, Perm, Rostov on the Don, Ulyanovsk, Kiev, Donetsk, Alma-Ata, Kishinev and Riga.

In recent years the useful practice of constructively solving such problems jointly, adopting the joint decrees of USSR Gosplan and supervisory organs of the various Union Republics and oblasts, has been taking shape. These call for measures for energizing the use of secondary raw materials in the given region, including development of the required supply-and-equipment base for procurement and recycling. Such joint decrees were adopted for the Azerbaijan, Georgian and Latvian republics and Volgograd and Sverdlovsk oblasts. Similar documents are in the preparatory stage for the Armenian SSR and Murmansk, Saratov and Penza oblasts.

Thus, joint decrees of USSR Gosplan and republic-level organs of the Latvian SSR have made detailed plans of what must be done to transform the main branches of the republic's economy into completely wastefree branches by the year 2000.

Most of the country's regions are to solve this problem in the long term.

As for multiple-tonnage wastes that cannot be used completely where they are formed, provisions should be made by the year 2000 for the use of waste that will then be arriving and for a start on the active exploitation of reserves that have piled up in dumps and warehouses.

Calculations indicate that realization of the planned measures will enable a total of 23-25 billion rubles' worth of primary raw materials and other materials to be released by the year 2000.

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CSO: 1820/141

## INCOMPLETE STATISTICAL DATA HAMPERS MANAGEMENT EFFICIENCY

Moscow VESTNIK STATISTIKI in Russian No 3, Mar 87 pp 3-9

[Unattributed article: "Statistics and Improvement of Management in the National Economy"]

[Text] The decree of the January (1987) Plenum of the CPSU Central Committee "On restructuring and the party's personnel policy" pointed out the necessity "...of concentrating attention on the major, long-term problems of developing sectors of the national economy, accelerating scientific and technical progress, and improving the economic mechanism..."

The system of measures for further improving management of the national economy, which has been called upon to provide for the organic unity and efficient interaction of planning, economic levers and incentives, and the organizational structures of management, was defined by the 27th CPSU Congress.

In 1986, work on the fundamental reconstruction of the national economy, restructuring of the organizational structures of management, and the organization of a new economic mechanism was accelerated in all sectors of the national economy.

In 1987, new experimentally tested methods of socialist management were disseminated to all associations and enterprises in industry, transport, communications, agro-industrial complexes, commerce, and consumer services.

At the same time, steps are being taken to further extend and improve the forms and methods of management. All production associations and enterprises in chemical and petroleum machine building; instrument building, automation equipment and control systems; the petroleum refining and petrochemical industry; and the automotive industry, as well as 37 large associations and enterprises of 15 other industrial ministries, have been changed over to cost accounting [khozraschet], self-support [samookupayemost] and self-financing. The decision has been made to convert shipping companies and enterprises of the USSR Ministry of the Maritime Fleet to these conditions. The principles of self-financing have been taken as the basis of the economic mechanism in light industry and commerce, taking specific conditions into account.

As a whole, enterprises turning out more than 20 percent of the total volume of commodity production, in which 6.3 million persons, or 16 percent of the sector's total industrial and production labor force, are employed, have been working in industry alone under conditions of full cost accounting and self-financing since 1 January 1987.

A systematic changeover to full cost accounting and self-financing is scheduled for the associations, enterprises and organizations of practically all sectors of industry and other basic national economic complexes (agro-industrial, construction, and transport).

A great deal of work has been carried out to improve the organizational structure of management in machine building; production and scientific and production associations have been consolidated, a transition has been made basically to a two-shift management system, the integration of sectorial science and production has been reinforced based on the inclusion of most of the sector's scientific research and planning and design organizations in production and scientific-production associations, and key functional subunits of ministries have been consolidated.

Permanent organs of the USSR Council of Ministers have been established for machine building, the fuel and power engineering complex, social development, and foreign economic relations. Restructuring of the construction complex has been carried out, the rights of union republics' councils of ministers have been extended in this field, and construction ministries have been reorganized.

Work has begun to improve foreign economic activity. New forms of collaboration are being further developed, and direct production links with enterprises in fraternal countries are being strengthened. Joint enterprises and associations are being established with the participation of Soviet and foreign organizations and firms.

New forms of integrating agriculture with other sectors of the agroindustrial complex are being introduced in economic practice. Thus a number of agroindustrial combines similar to the "Kuban" APK [agroindustrial combine] were established in the RSFSR, the Ukraine and Belorussia in 1986. Agrocommercial firms have been functioning in Latvia and Tajikistan based on the integration of kolkhozes, sovkhoses, enterprises of the processing industry and trading organizations.

For the first time in many years, the number of management personnel has been reduced as the result of improvement in the organizational structures of management in key sectors of the national economy.

State Product Acceptance has been introduced at 1,500 key enterprises for the purpose of improving the quality of goods.

The draft Law of the USSR on the State Enterprise (Association) has been worked out and submitted for public discussion. It is aimed at consolidating the legal foundations of activity and its centralized nature in resolving the most important problems in developing the national economy as a whole and provides for reinforcement of economic management methods.

New principles for increasing wages in production sectors have been worked out and are being put into practice, groundless restrictions on individual work activity have been removed, and the organization of cooperatives in different areas of production and services is being encouraged.

Important steps are being taken to improve matters in housing construction, education, and medical and consumer services.

In connection with the fundamental restructuring of management in the national economy, the tasks performed by state statistical organs have been increased and made more complex. The most important ones are improvement in the indicators of statistical reporting and reduction of the times for its preparation; improvement in the methodology of calculating economic indicators and their analysis; and regular provision of economic and statistical data for management and planning organs which comprehensively describe the effectiveness of measures taken to restructure the economic mechanism and introduce economic methods based on full cost accounting, self-financing and self-support.

The statistical reports of associations and enterprises currently in force and a program of consolidated reports, as well as the procedure for drafting them, basically provide for systematic monitoring and the data necessary at all levels of management on the effectiveness of work by sectors of the national economy with the introduction of economic methods of management.

Regularly prepared statistical data on industry will contain indicators which characterize fulfillment of the plan for the sale of output, taking into account contract obligations, the growth rates of production and labor productivity, the proportion of production increased resulting from this factor, the increase in wages for a 1-percent increase in labor productivity, product quality, reduction of expenditures per ruble of commodity production, fulfillment of the profit plan, application of capital investment limits for retooling, renovation and expansion of enterprises, fulfillment of plan targets for developing science and technology, and other indicators.

The state statistical organs provide a large volume of information, but the demand for it still is not being met. In this regard, additional work has been carried out by the TsSU [Central Statistical Administration] of the USSR and the TsSU's of union republics to put statistical reporting in order, taking into account the changeover of associations and enterprises in a number of sectors to operation under the conditions of full cost accounting, self-support and self-financing.

Organization of thorough systems analysis of the effectiveness of measures taken to improve the economic mechanism in sectors of the national economy is one of the most important tasks of state statistical organs.

Analysis of the work of associations and enterprises under the new conditions attests to the effectiveness of the policy aimed at extending their rights and reinforcing responsibility for work results.

The introduction of 100-percent fulfillment of delivery responsibilities and additional incentive for it as a basic evaluation indicator, as demonstrated by the analysis conducted by statistical organs, has contributed to an increase in discipline in deliveries. At the same time, with improvement in these indicators for the sector as a whole, the fulfillment of targets for product mix became worse for a majority of ministries. Sizable fines are being paid for failure to deliver specific types of output when the plan for sale of output is fulfilled and delivery obligations are taken into account. These problems require more thorough study.

The effectiveness of the economic mechanism in providing incentive to produce highly efficient output is an important direction of analysis. It has been established that for industrial-engineering output which is in conformity with the highest quality category, depending on its economic efficiency, a markup of 30 percent is applied to the wholesale price; for output falling in the first quality category, the wholesale price is discounted at the rate of 5 percent for the first year, 10 percent for the second year, and 15 percent for the third year in budget revenue. Funds amounting to 70 percent of the total of the discounts are recovered through the economic incentive fund.

Reporting data attest that appreciable progress in improving quality has not been made yet. The majority of ministries have not fulfilled the plan targets for producing output of the highest quality category. Products newly put into production are not being provided at the proper level. Results of State Acceptance inspection at 30 machine building associations and enterprises showed that a large volume of low quality output is still being produced. Thus, all of the output presented was not accepted at the P/O [production association] Odessapochvomash of the USSR Ministry of Tractor and Agricultural Machine Building, more than half of it was not accepted at the Machine Building Plant imeni 25 October of the USSR Ministry of Heavy and Transport Machine Building (Nikolayev Oblast), and about one-third of it was not accepted at the Tashkent Tractor Plant Production Association of the USSR Ministry of Tractor and Agricultural Machine Building.

More attention has to be devoted to analysis of the effectiveness of the mechanism for material sanctions for low quality and the mechanism for recovering losses from output which does not fall in the highest quality category through the economic incentive fund.

The new management conditions involve increased incentive for labor collectives to raise production efficiency. Improvement in the organization of wage funds and economic incentive funds, use of a broader system of supplementary payments and bonuses through savings in the wage fund, bonus payment systems aimed at providing incentive for complete fulfillment of



contract obligations, and an increase in labor productivity and other quality indicators contribute to this. In economic work it is necessary to thoroughly analyze the effect of these measures in increasing labor productivity and maintaining the planned relationships between an increase in wages and labor productivity.

One of the tasks of statistical organs is to prepare data which characterize the introduction and efficient use of new equipment. Statistical reporting contains data on the efficiency of engineering developments and their conformity with the best examples in the world, the time periods for delivering new types of output for production, the effect of new equipment on the release of personnel and increased labor productivity, increased profit and lowered production cost. Reporting on the output of highly efficient and advanced types of output and technologies has been introduced. A system of generalizing indicators has been developed which characterizes the increase in the technical level of production. Analysis of the indicators of scientific and technical progress should be directed toward a study of the effect of the system of economic incentive to introduce scientific and technical measures on the economic indicators of the work of production associations.

The acceleration of technical retooling and renovation of enterprises in operation has been directed at raising the technical level of production. State statistical organs regularly work out and present data which characterize the amount of capital investments for these purposes, including through production development funds, and fluctuation in the proportion of these expenditures in the overall volume of production capital investments. The effectiveness of capital investments is being studied on the basis of data from selective surveys.

However, the effect of production methods in technical retooling and renovation operations (contracted or with an organization's own resources) on their efficiency and the provision of equipment and other material and technical resources for these operations is not being analyzed adequately in the materials provided. Together with organs of the USSR Bank for Financing Capital Investments and the USSR Gosbank, we have to organize a study of the factors which are holding back development of the contract method of operations and fulfillment of these operations utilizing an organization's own resources.

The new management conditions call for specific steps to develop a financial mechanism in which relationships with the budget and higher organizations are regulated not by individual financial plans, but by long-range standards which set stable conditions for distribution of revenues and their utilization.

Statistical data reflect the course of fulfillment of the profit plan, the level of profitability, the reduction of output production cost, nonproduction expenditures and losses, efficient utilization of an organization's own working capital, and the availability of above-norm commodity stocks and uninstalled equipment, and classify enterprises as profitable, subsidized, and actually unprofitable.

A basic direction for further improving analysis of the financial results of production associations' (enterprises') activity is study of the fluctuation in profit from factors such as reduction in production cost, surcharges, price discounts, non-sale losses, and so forth.

Particular attention has to be devoted to analysis of price setting and reorganization of the system of prices in order to give them more elasticity and coordinate them with the level of socially necessary expenditures and consumer properties of goods, as well as maximum and contract prices. It is planned to conduct a special survey in 1987, jointly with the USSR Gosplan and the USSR State Committee on Prices, for a more thorough analysis of the relationship between an increase in prices and an increase in the productivity of individual types of equipment.

The problems of forming and utilizing economic incentive funds require more detailed study. Profit is the basic source of these funds. Under the new management conditions, as analysis shows, the standardized principles for forming economic incentive funds are still inadequately coordinated with principles for profit distribution between the production association and the state.

In improving analysis of the formation and use of economic incentive funds, it is necessary first of all to study their effect on the achievement of high end results in the activity of associations (enterprises) and organizations and on solution of the problems of technical retooling and social development.

With the objective of organizing a systematic study and analysis of the formation of a new fund for the development of production, science and technology and utilizing it for technical retooling, renovation and expansion of the current production of associations and enterprises operating under full cost accounting and self-financing conditions, the USSR Central Statistical Administration, together with the USSR Ministry of Finance, has developed a special quarterly report, "Basic Indicators of Economic Incentive Funds."

In the country's agroindustrial complex, measures are being taken to improve the economic mechanism of management, new methods of planning and economic incentive based on progressive standards are being widely introduced, and the rights of kolkhozes, sovkhoses, and other enterprises and organizations of the agroindustrial complex in resolving economic problems are being expanded. Work to ensure broad utilization of the achievements of scientific and technical progress and provide for high end results is being carried out actively. These measures define the basic directions for analyzing the work of kolkhozes, sovkhoses, and other enterprises and organizations of the agroindustrial complex. It is planned to devote special attention to study of the effectiveness of economic incentives (price surcharges) in increasing the procurement of grain and industrial crops and purchases of livestock products; to analysis of the profitability and production cost of output; losses and nonproductive expenditures; price setting; development of the collective, family and personal contract; wage improvement; and the use of bank credit and an organization's own assets to resolve the problems of production development, the processing and storage of agricultural products, and technical retooling and renovation of enterprises in operation.

Important work has been carried out in recent years to improve the economic mechanism in the system of ministries of consumer services. Since 1986, all enterprises of these ministries have been operating under the new management conditions. Statistical data on the increase in sales of everyday services, the relationship between the increase in labor productivity and wages, the production cost of services, the effect of payments from the economic incentive fund on the increase in average wage, the development of progressive forms of work organization, and the formation and use of economic incentive funds are being utilized in the economic analysis of their work results.

Most of the ministries of consumer services have coped with the 1986 plan for the sale of these services under the new conditions. New types of services and progressive forms of service, as well as services rendered by enterprises of higher categories, have been developed further. However, analysis of reporting data and followup materials attest to the fact that not all of the principles incorporated in the new management conditions are being implemented successfully yet. In a number of cases, the quality of services continues to be low and the time periods for filling orders are not being met.

Economic methods of management are being improved in consumer services. Thus the Belorussian SSR Ministry of Consumer Services began operating under the conditions of full cost accounting, self-support and self-financing in 1987. The work of its enterprises is being evaluated in accordance with the indicator of the volume of consumer services for individual orders by the public.

The new management conditions were widely extended in transport and communications in 1986. They have been aimed at more completely meeting the demands of the national economy and the public for freight and passenger service and communications services with less expense, based on improvement in the planning and organization of transport and services, accelerated development and introduction of new equipment, and development of creative initiative, and on reinforcement of labor collectives' incentive and responsibility for increasing work efficiency and consolidation of cost accounting.

Analysis of the results of work by automotive transport enterprises under the new conditions shows that when the requirements of contract customers for freight service were fully met, the overall volume in tons and ton-kilometers declined; the proportion of vehicles ordered (by the hour) increased. Reduction in the volume of service was the result of the strict requirements of the contract on the basis of which the standard assignment for the driver is determined, and clients began submitting applications for service with more justification; in many respects, the conditions which led to overstatement of the volume of service were eliminated. At the same time, shortcomings in organizing freight shipments, determining true requirements for rolling stock, and calculating the use of automotive transport were revealed.

In 1986, nine of the 11 railroads operating under the conditions of an experiment in accordance with the Belorussian method fulfilled the plan for dispatching freight. Basic indicators in the use of rolling stock were

improved. Labor productivity is increasing in advance of the increase in wages. Other positive changes have been revealed as well. Thus a large number of workers have been released and at the same time, the savings made in the wage fund are at the railroads' disposal and are being utilized to introduce increased wage rates and salaries. Close attention will be devoted to an analysis of the effectiveness of these conditions.

Fundamental restructuring of the economic mechanism in construction was carried out in 1986. Reinforcement of contract relationships between customers and contracting organizations, improvement in contract forms of construction activity, and development of financial and credit relationships are the most important factors here. The systematic changeover of construction and installation organizations to full cost accounting and self-financing remains to be carried out.

State statistical organs have to devote more attention in economic work to analyzing the effect of the new management conditions on increasing efficiency in the investment process, shortening its duration, developing economic incentive among all participants in construction to bring production capacities, housing and other social projects into use in standard periods of time, and on reducing their cost, materials consumption and labor-intensiveness.

The USSR Central Statistical Administration is organizing selective surveys in 1987 for more comprehensive analysis of the subjects enumerated: introduction of the basic provisions of the new economic mechanism; models of new types of machinery, equipment, devices and instruments developed in the USSR for the first time in accordance with an improved program; the effect of production regularity on product quality; a survey of the prices and productivity of new and basic equipment; the quality of trade services for the public, and so forth.

The accountability indicators in effect (taking the considerable work to improve them into account) and the additional materials of selective surveys still do not fully meet the requirements for an economic analysis of the effectiveness of the new economic mechanism. This relates to a greater extent to financial indicators and indicators for labor and wages, scientific and technical progress, and the efficiency of the investment process.

A great deal of work still has to be carried out to improve methodological provisions and the system of indicators and increase analytical statistical studies.

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CSO: 1820/130

## KAZAKH APK DEVELOPMENT, 12TH FYP TASKS OUTLINED

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 3, Mar 87 pp 9-15

[Article by L. Pyatkov, candidate of economic sciences and chief of the Agriculture and Forestry Department of Gosplan for the Kazakh SSR: "Kazakhstan APK During the 12th Five-Year Plan"]

[Excerpts] In the Basic Directions for the Economic and Social Development of the USSR During the 1986-1990 Period and For the Period Up To the Year 2000, a broad program of measures of an organizational-economic nature is outlined for further developing all branches of the agroindustrial complex and for achieving high final results. As noted during the 27th CPSU Congress, a decisive change is needed in the agrarian sector in order to improve the food supply during the 12th Five-Year Plan. The plans call for the rates of growth in agricultural production to be more than doubled and for a considerable increase to be achieved in the per capita consumption of meat, milk, vegetables and fruit.

However, the reorganization in the republic's agrarian sector, as revealed by the results achieved in 1986, is proceeding very slowly. Many farms are supplying much smaller quantities of grain, sugar beets, meat, milk and other products. In order to change the situation prevailing at the present time, we must learn how to use the available potential more completely.

It bears mentioning that this potential is indeed considerable. At the present time, 37 percent of all manual and office workers in the national economy of Kazakhstan are working in the agroindustrial complex and 33 percent of the republic's fixed productive capital is concentrated in the complex. For further developing the logistical base during the 12th Five-Year Plan (using all financial sources), the plans call for 19.9 billion rubles worth of capital investments to be employed, including 18.2 billion rubles worth directly in agricultural production. In the process, 5 billion rubles, or 23 percent more than during the past five-year plan, will be allocated for the erection of installations of a non-productive nature.

During the five-year plan, agriculture will be supplied with 145,000 tractors, 131,400 trucks, 3,460 excavators, 4,500 bulldozers, 2,000 scrapers and many other items of equipment. In all, the power-worker ratio will increase to 50 horsepower per capita.

The sovkhozes and kolkhozes will be allocated 6.2 million tons of mineral fertilizer (in a computation for 100 percent nutrients), including 3,600 tons of phosphorus fertilizer, a factor which is of considerable importance for improving soil fertility in regions subject to soil salinization. Such wealth must be handled in a skillful manner. This is particularly true in view of the fact that all of the conditions required for accomplishing this have been created.

The organizational restructuring of the APK [agroindustrial complex] has been completed for the most part. Today the economic mechanism for management is being placed fully in operation for the purpose of interesting the collectives of kolkhozes and sovkhozes and other agroprom enterprises in increasing the production of high quality food products and agricultural raw materials for industry. Under these conditions, all of the prerequisites are available for converting the economic operations of the APK over to the principles of self-support and self-financing.

But none of this will happen of and by itself. The authority of the plan must be raised sharply, the role played by the socialist market must be intensified and more efficient use must be made of the entire instrument of trade-monetary relationships.

Here an important role is played by agricultural production planning. We have in mind mainly a conversion over to the progressive normative method. The planning at all levels must be carried out taking into account an economic evaluation of the farm lands and ensuring that the farms are supplied with productive capital and labor and other resources.

The republic possesses experience in carrying out such planning: the normative method was employed for developing the draft plan for agricultural development for some rayons in Kokchetav and Kustanay oblasts for 1986-1990. It is now time to consider other regions.

At the present time, normatives are being defined in USSR Gosagroprom which will be employed for the development of further plans at the union and republic levels. The republic's Gosagroprom is also participating in this complicated but nonetheless necessary work. Specific constructive measures for creating normatives, in conformity with the natural-economic conditions for management for each oblast, rayon and farm are being accepted by the planning-economic and land management services in close contact with zonal scientific-research institutes. The compilation on a scientific basis of sound and equally tense plans will be a strong mobilizing factor for the development of the APK and all of its elements.

A key task of the 12th Five-Year Plan has been and continues to be that of increasing the grain production volumes. The task has been clearly defined -- during any year marked by unfavorable weather conditions, we must obtain not less than 23 million tons of grain and during normal weather conditions -- up to 30 or more million tons. In order to achieve these levels, new approaches are required in the management of field crop husbandry operations.

A chief concern here is that of developing in a complete manner and carrying out improvements in all intensification factors (particularly with regard to raising soil fertility) and employing "biologism" in grain production, that is, learning to utilize more completely the production potential of the plants themselves. In this regard, the scientists and specialists prepared recommendations for specific farms for using intensive technologies for the cultivation of spring wheat, corn, rice, buckwheat and millet. The bioclimatic factor was taken into account for each of the republic's zones and for all crops and this without a doubt had a positive effect on the yields and on improving the quality of the grain.

The economists have estimated that in 1985 the profitability level for grain production with use being made of the intensive technology was 35.5 percent and with the conventional technology being employed -- only 1.2 percent. But even today insufficient use is being made of the potential offered by this method. The chief reason -- a low level for the agrotechnical culture.

For a long period of time, there have been no secrets associated with the intensive technology -- complete mastering of the crop rotation plans, correct use of the mineral and organic fertilizers made available, the organization of integrated plant protection and optimum periods for sowing and harvesting the crop. During an unfavorable year, the observance of the mentioned measures ensures 3-3.5 and during a favorable year -- 9-10 million additional tons for the gross grain yield.

Last year the intensive technology was employed for grain crops throughout the republic on an area of 5.5 million hectares, including 5.1 million hectares for wheat. The yield amounted to an average of 16.05 quintals per hectare (including 15.4 quintals of wheat per hectare). When use was made of the conventional technology, the yield barely exceeded 10 quintals per hectare. Thus the overall increase in grain achieved through the use of intensive technologies amounted to approximately 3 million tons.

This year the intensive technologies will be employed on 5.6 million hectares, including for wheat -- 5 million hectares, grain corn -- 150,000 hectares, rice -- 112,000 hectares, millet -- 200,000 hectares and buckwheat -- 50,000 hectares. According to forecasts, the increase in grain will amount to 3.4 million tons, including 610,000 tons of corn.

By the end of the five-year plan, the areas on which intensive technologies are employed will have increased to 6.6 million hectare, with winter crops occupying 75,000 hectares, spring wheat -- 5.6 million hectares, corn -- 200,000 hectares, rice -- 112,000 hectares, millet -- 500,000 hectares and buckwheat -- 110,000 hectares.

The task has been assigned of increasing considerably the production of strong and durum varieties of wheat, which will furnish almost 46 percent of the procurement volumes. The plans also call for an expansion in the commodity production of millet (550,000 tons) and buckwheat -- 130,000 tons).

By 1990, potato production will have increased to 2,500,000 tons or 14 percent more than the figure for 1985. Work will continue in connection with

expanding farm specialization. In those areas where the potato fields are more than 600 hectares in size, the profitability level for potato production is already now approaching almost 50 percent. In the agricultural practices employed for cultivating the "secondary grain," extensive use will be made during the 12th Five-Year Plan of the method of planting tubers in ridges prepared in advance. The introduction of this method on irrigated lands is raising the productivity of the planting units by 15-20 percent, it is improving the water-physical properties of the soil, it is promoting a reduction in damage to the tubers and on the whole it is making it possible to store them for long periods and in good condition.

The potato production volumes planned for the republic during the 12th Five-Year Plan (in accordance with the resources and their distribution and taking into account deliveries into the centralized funds and also expenditures for production purposes) will ensure a per capita potato consumption level for the population of 87 kilograms and this is in keeping with the scientifically sound nutritional norms.

It is difficult to imagine an absence of vegetables, fruit and melon crops on the dining tables of Kazakhstan workers. During the 1981-1985 period, the average annual production of vegetables was 1,154,000 tons of melon crops, 315,000 tons of fruit and 232,000 tons of berries. By the end of the 12th Five-Year Plan, the production of vegetables and melon crops is to be increased to 2 million tons and fruit and berries -- to 350,000 tons. This will make it possible to satisfy up to 90 percent of the vegetable and melon requirements of the republic's population. Improvements must be carried out in the future in inter-oblast relationships with respect to the production and processing of vegetables and making them available to the population. Commencing this year, such relationships are being reinforced by appropriate contractual obligations and included in the annual plans.

A considerable bottleneck with regard to supplying the population with fruit and vegetable products is the backward nature of the base available for the acceptance, storage, processing and delivery of these products in good condition to the consumer. Thus an urgent task is that of strengthening the logistical base for vegetable and fruit production. Beyond any doubt, this will bring about a reduction in losses in these vitamin products during their acceptance in the production areas, a method which many farms will convert over to this year.

Strong improvements are needed in the feed base for animal husbandry operations. Feed production must reach 55-58 million tons of feed units by 1990. Forty million tons of feed units were procured in 1985. This figure is considerable and yet in recent years the public livestock have been supplied with all types of feed only to the level of 70-85 percent. The amount of feed being procured annually by many farms is exactly one half less than that needed for normal livestock wintering.

Moreover, the quality of the feed is still not very high. Thus the feed being procured (on the average for 1 feed unit) contains only 70-75 grams of digestible protein -- against a norm calling for 100-105 grams. This is why the shortage in fodder protein throughout the republic as a whole amounts to



500,000-600,000 tons annually. The lack of balance in the rations in terms of digestible protein is causing a tremendous overexpenditure of feed per unit of product.

For example, for the production of 1 quintal of weight increase in cattle, up to 18-19 quintals of feed units are expended (the norm is 12-13) and for 1 quintal of milk -- up to 1.9 quintals (norm is 1.5 quintals of feed units). For the purpose of solving this problem rapidly, the special purpose all-round "Feed and Protein" Program was developed. The plans call for the average annual production volume for coarse and succulent feed to be raised to 16.2 million tons of feed units during the 12th Five-Year Plan, compared to 13.3 million tons during the 11th Five-Year Plan (an increase of 22 percent). By 1990, almost 18 quintals of feed units of coarse and succulent feed will be procured per standard head of livestock (excluding swine and poultry), compared to only 16.5 quintals of feed units in 1985. In the process, coarse and succulent feed will occupy 35 percent of the feed balance, concentrated feed -- 19 and pasture feed -- 46 percent.

In 1990, forage crops will be grown on 10.1 million hectares of arable land and according to estimates they will produce 9.1 million tons of feed units. Irrigated arable land must play a more active role in strengthening the feed base. The plans call for 45 quintals of feed units to be obtained from each such hectare, compared to 25 in 1985.

By 1990 the overall animal husbandry requirement for fodder protein will increase to 5 million tons, including feed for indoor maintenance -- to 2.7 million tons. The protein shortage will be eliminated by raising the quality (grade) of the feed. Thus the sowings of alfalfa are being expanded (they are capable of furnishing 69,000 additional tons of feed units); the production of other pulse crops is being increased (by 99,000 tons); multiple-unit silage will furnish an increase of 15,000 tons of feed units and silage in a mixture with pulse crops -- 20,000 tons. Increases will take place in the production of feed of animal origin and in protein-vitamin additives (by 55,000 tons of feed units).

High protein silage will be obtained from expanded areas of a mixture of corn and soybeans, from irrigated lands on farms in southern oblasts. And in the northern regions, increases will take place in the sowings of early ripening varieties of corn and also in sowings of this crop with leguminous-grass mixtures. Extensive use will be made of the preparation of succulent feeds with microbiological yeasts. Thus their volumes, involving use of the "Kazakhsil" preparation, will amount to more than 15 million tons in 1990.

As is known, under the conditions found in our republic, more than one half of the livestock feed is procured from pastures and in some oblasts the proportion of such feed amounts to 70 percent. The overall feed supply from these lands is approximately 15 million tons of feed units and the requirement for such feed -- not less than 20 million tons of feed units. The productivity of pastures in some regions of the republic is declining as a result of an excessive workload. The solution is to radically improve these lands through the creation of long-term fenced pastures for year-round use and the renovation of the grass stand with wild-growing forage plants.

In this regard, the plans call for radical improvements during the 12th Five-Year Plan on more than 5 million hectares of natural feed lands and surface improvements on 1,750,000 hectares. Work will be carried out in connection with the irrigation of pastures in desert and semi-desert regions -- on 4 million hectares; the regrassing of haying and pasture lands which were improved earlier will be carried out on 1 million hectares and the modernization of aquicultural installations on pastures which were irrigated earlier -- on 32 million hectares.

Special attention is being given to the introduction of progressive technologies in feed production and feed preparation. Thus the plans call for hay procurements using the method of forced ventilation to be raised to 700,000 tons by 1990. Compared to 1985, this will make it possible to obtain additionally during the 12th Five-Year Plan more than 800,000 tons of feed units and 48,000 tons of plant protein.

Improvements are needed in the preparation of mixed feed. In 1985 and compared to 1975, 30 percent more grain was expended for each ton of feed produced at state enterprises throughout the republic and the allocation of protein raw material per ton of mixed feed declined in the process by twofold. Hence there was an overexpenditure of forage for the production of a quintal of meat, milk or eggs. And the paradox was that notwithstanding an obvious shortage of fodder grain, a considerable portion of it is being fed to the livestock in unprocessed form.

The republic's Gosagroprom (State Agroindustrial committee) and the oblast agroindustrial committees now bear responsibility for ensuring that animal husbandry is supplied with high quality concentrated feed that is balanced in terms of protein and other components and that this feed is used in an efficient manner. Commencing this year, the plans for economic and social development will define the volumes of feed and protein raw materials to be allocated from the state resources. The payment of bonuses in the amount of 50 percent of the purchase prices, for sale to the state by kolkhozes and sovkhoses (over and above the average annual level) of sunflowers, sugar beets, raw cotton, soybeans and a number of other crops has been extended to continue throughout the 1987-1990 period and this will have a positive effect on the production of these crops.

Greater interest is now being displayed in strengthening the feed base, since the directive documents stipulate that regardless of the departmental subordination of enterprises located in a particular oblast, the nutrient yeasts, meat-and-bone meal, whole milk substitutes and other industrially produced high protein additives produced at them (over and above the plan) remain fully at the disposal of the oblast agroproms [agroindustrial committees].

The Kazakh SSR Ministry of Grain Products and its enterprises have an important role to play in strengthening the feed base. They must ensure the carrying out of a uniform technical policy in the mixed feed industry and the delivery of the resources called for in the plan for centralized distribution and they are fully responsible for achieving the planned mixed feed production volumes.

Kazakhstan quite properly is considered to be the country's largest animal husbandry base. For example, in terms of number of sheep and wool sales to the state, our republic yields only to the RSFSR. In the production of meat and eggs, Kazakhstan occupies third place in our country. The development of animal husbandry in the republic during the 12th Five-Year Plan has been defined taking into account the measures planned for raising the economic interest and responsibility of the local organs of authority with regard to increasing the production of food products and improving the supply of these products for the population.

Commencing this year, the plans for state purchases of livestock, poultry, milk and eggs will not be made available to the union republics and oblasts. Only the plans for delivering these types of products to the all-union and republic funds (or subsidies from them) will be established for them. In the process, the level for deliveries remains firm for the years of the five-year plan. It is considered advisable for the resources of meat, milk and other products (following fulfillment of the delivery plans for these funds) to remain completely in the various areas.

A most urgent problem is that of supplying the republic's population with meat and meat products. By 1990, we must achieve a consumption level for these products of 67 kilograms per capita. The production volume for meat (in dressed weight) must increase by 300,000 tons during the five-year period.

The task is extremely complicated. The chief means for solving it is the intensification of animal husbandry operations at sovkhoses and kolkhoses. Thus a maximum amount of attention will be devoted during the 12th Five-Year Plan to increasing the numbers of livestock and raising their productivity through the active introduction of intensive methods for fattening the animals. In the process, the plans call for the meat productivity of the livestock to be raised by 10-16 percent.

By 1990, meat production at all categories of farms will be increased to 2,330,000 tons in live weight (compared to 1,920,000 tons in 1985, that is, an increase of 21.4 percent). The use of intensive technologies for fattening will furnish 485,000 tons of meat, compared to only 65,000 tons in 1985. In other words, by 1990 the production of meat using intensive technologies will increase by a factor of more than seven and amount to 29 percent of the overall volume of meat production in the public sector.

At the present time, only four of the republic's farms are employing the intensive technology for the fattening of cattle. During the 12th Five-Year Plan, 270 farms will convert over to the use of this method. More than 500,000 head of cattle representing an overall delivery weight of 220,000 tons will be fattened at these farms (by 1990).

Beef cattle husbandry will undergo further development: the plans call for the beef herd to be increased to 2,300,000 head by 1990, an increase of more than 10 percent.

Extensive use will also be made of industrial crossings of highly productive beef strains with dairy cows at commodity farms, for the purpose of raising the meat productivity of the offspring obtained.

In swine husbandry, the production of goods using the intensive technology will amount to 45 percent of the overall meat production volume and reach 43,000 tons. At the present time, this method has been introduced into operations at only 19 farms throughout the republic. By 1990, 31 farms will have converted over to it (18 of them will be fattening complexes).

Intensive technologies can also be employed extensively in sheep raising. More than 11 million sheep are being sold annually throughout the republic for meat purposes. Their average live weight still does not exceed 34-35 kilograms and on some farms it is even lower -- 30-33 kilograms. If the delivery weight of the animals is increased by only 4-5 kilograms, this will make it possible to obtain 50,000-55,000 additional tons of mutton (in live weight).

Proper attention is not being given in all areas to organizing the industrial fattening of sheep. Satisfactory use is not being made of the fattening sites. For example, on farms in Dzhambul, Taldy-Kurgan and Semipalatinsk oblasts, they are being used mainly for retaining the animals longer than necessary.

At the same time, on farms in Panfilovskiy Rayon in Taldy-Kurgan Oblast there are excellent examples of intensive fattening of sheep at similar sites. The 40 Let Oktyabrya Kolkhoz annually fattens up to 20,000 sheep to a live weight of 55 kilograms. The sheep breeders at the Syugatinskiy and Degeres sovkhozes in Alma-Ata Oblast, the Uryuktinskiy Sovkhoz in Dzhambul Oblast and at many other farms are obtaining high indicators for their industrial fattening operations.

The intensive technology in sheep raising also calls for the fattening and sale for meat purposes of lambs during the year of their birth. Such a method is presently being used for fattening 189,000 lambs to a live weight of up to 37 kilograms. By 1990, the intensive technology will be employed for fattening 1,250,000 lambs to a live weight of up to 40 kilograms.

A considerable reserve for increasing the production of mutton is embodied in the extensive use of complex industrial crossings of animals. As a rule, hybrids mature rapidly, they possess fine meat qualities and in the final analysis they provide a high return for the feed expended.

By 1990, industrial crossings in sheep raising will reach 1.5 million head. Inter-strain crossings and breeding work are also being carried out in connection with increasing the fertility of sheep, which must ensure an increase in the production of mutton (per ewe) to 40-45 kilograms. The proportion of ewes in a herd will be raised to 60 percent and this will ensure an additional increase in the output of mutton per head to 25-30 percent.

Further improvements are needed in the technology for producing poultry meat (although at the present time it is mainly being carried out on an industrial basis). Use of the industrial method in poultry raising made it possible to

increase sharply the number of poultry, raise their productivity and to increase the gross yield of products. In the future, for the purpose of obtaining broiler meat, the plans call for the use of the "Broiler-B" four-strain hybrid, which is noted for its especially rapid growth. The labor expenditures planned per quintal of weight increase are on the order of 4-4.2 man-hours and feed expenditures -- 3.7 quintals of feed units; the production cost for 1 quintal of weight increase in broilers must be 100 rubles.

At the present time, feed expenditures per quintal of weight increase in broilers throughout Kazptitseprom on the whole are 3.79 quintals of feed units, labor expenditures -- 4.4 man-hours and the production cost per quintal of weight increase exceeds 110 rubles. By 1990, the production of poultry meat using the intensive technology within the Kazptitseprom system will constitute 80 percent of its overall volume in the public sector.

All possible measures must be undertaken during the 12th Five-Year Plan in order to ensure that the traditional sub-branches of animal husbandry -- horse breeding and camel breeding -- recover their former glory. In recent years, the traditional method of year-round herd maintenance of horses and camels on natural pastures has been combined successfully with the industrial technology. Specialized sites for the fattening of animals and farms for the production of kumiss and shubat are being organized.

Positive experience in intensifying the production of horse meat has been accumulated at the Talgar Specialized Farm in Alma-Ata Oblast. Here they have developed their own system for the industrial fattening of horses at year-round mechanized sites. The intensive fattening of animals is being carried out over a period of 60-70 days, prior to the animals being sent to meat combines. The average annual production of horse meat at this farm has been raised to 300 tons. Throughout the republic as a whole, more than 25,000 horses are annually being fattened on an industrial basis.

Specialized farms for the preparation of kumiss are in operation within the Shchuchin Poultry Association in Kokchetav Oblast, at the Sovkhoz imeni Amangeld Imanov in Karaganda Oblast and at the Kurtinskiy Sovkhoz and an experimental farm of KIZ [Kazakh Scientific Research Institute of Agriculture] in Alma Ata Oblast. Seven large new mechanized farms are under construction during this current five-year period in Kzyl-Orda, Mangyshlak, Chimkent and Alma Ata oblasts.

In 1990, the production of horse meat at sovkhoses and kolkhoses will be raised to 42,100 tons (compared to 33,600 tons in 1985), including 3,600 tons of horse meat being produced by means of intensive technologies, or more by a factor of three than was produced during the 11th Five-Year Plan.

The intensive technologies for meat production must be reinforced by direct contacts with the processing enterprises in connection with the sale and purchases of products directly in the production areas. All of the products must be purchased and shipped using transport equipment made available by the procurement organizations. Throughout the republic as a whole, the shipping of livestock using transport equipment supplied by the procurement specialists will reach 80-85 percent by 1990.

The plans for dairy cattle husbandry call for solutions to be found for a number of urgent problems, particularly increasing the proportion of cows in the herd by 5-6 percent, raising the milk yields of cows in a commodity herd to a minimum of 2,300-2,400 kilograms and in a dairy herd (suburban zone) to 3,500-4,000 kilograms. The flow line-shop technology, with the team form for labor organization, will be introduced into operations in all areas.

Specialized farms and facilities for the raising of replacement livestock will play an important role in raising the effectiveness of this sub-branch. In this regard, use will be made of cyclograms at the dairy complexes. These cyclograms will make it possible to take into account the movement of animals by technical groups, depending upon their physiological condition. During the 12th Five-Year Plan, work must be completed for the most part on converting the cows over to camp-stable maintenance during the summer, the dairy farms must be equipped with interchangeable lying-in sections and sectional veterinary dispensaries and pasture-feed yards and sites must be built for the cows and young stock.

During the current five-year period, work must be completed in connection with converting all farms and enterprises of the processing industry over to the acceptance and delivery of milk directly on the farms and for the milk to be shipped by means of specialized transport.

The private plots of kolkhoz members and manual and office workers will also play a large role in increasing the food resources. On 1 January 1986, 2.41 million head of cattle, or 26.3 percent of their overall number; 4.5 million sheep and goats or 12.7 percent; 379,500 horses or 26.1 percent and more than 19 million head of poultry or 34.5 percent were privately owned by the population. In 1985, the private plots accounted for 7.6 percent of all meat procured in the republic, 12.6 percent of the milk, 13.8 percent of the potatoes and 6.8 percent of the vegetables.

By way of furnishing assistance to the population in developing the private plots during the 12th Five-Year Plan, the plans call for 161 million chicks, 3.9 million lambs, more than 2.5 million young pigs, 421,000 calves and 95,000 foals to be sold to manual and office workers, kolkhoz members and pensioners. The interests of the public sector of animal husbandry must be coordinated more closely with the interests of the private plots and the requirements of the latter must be considered in the production-financial plans of the sovkhoses and kolkhozes. (Henceforth, the meat produced on private plots and sold to consumer cooperation will be credited to the sovkhoses and kolkhozes in the purchase plans).

Each farm must display concern for ensuring that the private plots produce as much output as possible, they must furnish the city dwellers and rural residents with assistance in the form of feed, they must sell young stock to them and they must organize in a better manner the acceptance and shipping of products. An important role is played in this regard by consumer cooperation -- indeed, its retail goods turnover is increasing. Kazpotrebsoyuz [Kazakh Union of Consumers' Societies] and the local organizations of consumer cooperation must organize the establishment of contractual agreements for the purchasing of products at kolkhozes, sovkhoses and from the population, they

must strengthen the procurement and trade base and occupy strong positions at the kolkhoz markets and they must exert an active influence with regard to bringing about a reduction in prices.

In conformity with the well-known decree on further improving the economic mechanism for management within the country's agroindustrial complex, measures are planned for further raising the effectiveness of capital investments. They will be used for developing production and the processing and storage of agricultural products and for the modernization and technical re-equipping of existing enterprises. In the process, the construction of installations in strict conformity with the established schedules must be ensured.

In conformity with the directive documents, the rights of leaders of enterprises and organizations of the agroindustrial complex in the use of capital investments are being expanded considerably. Commencing this year, all indicators for a capital construction plan will be determined by the sovkhozes and other state enterprises and organizations themselves (within the limits for capital investments and construction-installation work established for them) and by kolkhozes -- taking into account those indicators ensured by logistical resources. They are all authorized to develop (order) independently planning and estimates documentation for the technical re-equipping and modernization of uncomplicated production installations and also to coordinate the standard plans for buildings and installations, dwellings and other installations of a social-domestic nature.

The rights and independence made available in the area of construction are closely associated with raising the responsibility of the leaders of kolkhozes, sovkhozes and other state enterprises and organizations of the agroindustrial complex. Today the construction of a facility must be carried out on the basis of internal resources. And certainly, a maximum amount of attention must be given here to improving the work organization, reducing the volumes of unfinished work, achieving more extensive use of local construction materials and reducing the cost of installations.

Creating unified construction organizations and subordinating them to RAPO's [rayon agroindustrial associations] and to agroindustrial committees is opening up broad opportunities for raising the effectiveness of construction and for expanding the scale of work concerned with creating a powerful production and social infrastructure in the rural areas.

According to preliminary computations, during the present five-year period the agroindustrial complex for the Kazakh SSR will earn 7.6 billion rubles worth of profit (or 28.6 percent of the republic's overall volume), including in agriculture -- 4,528,000,000 rubles and for the processing branches -- 2,245,100,000 rubles. A great amount of work is already being carried out in connection with converting agriculture production over to a self-supporting and self-financing basis.

The agrarian science is now concentrated under "one roof" and under the aegis of the Eastern Branch of VASKhNIL [All-Union Academy of Agricultural Sciences imeni V.I. Lenin]. The APK structure includes 78 scientific institutes, to which 6,100 workers are assigned, including 91 doctors and 2,152 candidates of

science. The scientific subunits are participating in the development of 13 all-round regional programs. During the current five-year plan, 33 scientific-production associations will be created within the republic's Gosagroprom system.

For all elements of the APK, it is important today to unite more rapidly the interests of the sovkhozes, kolkhozes and processing and service enterprises within the framework of the RAPO's and oblast agroproms and to subordinate these interests to a single goal -- a campaign aimed at achieving high final managerial results and unconditional fulfillment of the goals planned for the 12th Five-Year Plan.

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CSO: 1824/249



## LITHUANIAN CP CC FIRST SECRETARY ON FEED PROCUREMENT

[Editorial Report] SOVETSKAYA LITVA on 24 May 1987 carries a 5,600-word speech by P. P. Grishkyavichus, Lithuanian CP CC first secretary, concerning feed procurement shortcomings and the feed protein deficit in Lithuania. Grishkyavichus addressed the 7th plenum of the Lithuanian CP Central Committee.

In addition to feed procurement problems, Grishkyavichus discussed the lag in Lithuanian grain production, inadequate application of intensive technology, and reductions in milk, meat, and poultry production in comparison with 1986. The text of the speech entitled "Tasks of the Republic Party Organization in Fulfilling the Decree of the CPSU CC 'On Essential Shortcomings in the Work of Party, Soviet, and Economic Organs of the Lithuanian SSR and Odessa and Samarkand Oblasts in Increasing the Production and Quality of Feed'" will be carried in the report SOVIET UNION/POLITICAL AFFAIRS.

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FORESTRY, TIMBER

AGRICULTURE

FIRES THREATEN TRANSBAYKAL AREA FORESTS

OW281327 Moscow Television Service in Russian 0830 GMT 28 May 87

[From the Vremya newscast]

[Text] In recent days the fire danger situation in the forests of the Transbaykal region has increased sharply. The arrival of warm weather and hurricane winds have given rise to tree top [verkhovoy] fires in the tayga which are considered to be extremely difficult to combat.

Today Chita is once again covered by a pall of smoke, and the fires have approached neighboring villages. Firefighters and hundreds of people who have been enlisted to fight the fires are waging a courageous battle to save territories of recreation zones, resorts, and pioneer camps. According to a report of the extraordinary firefighting commission, more than 50 fires are raging in the oblast. They have spread over 14,000 hectares of forest.

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CSO: 1824/283

COMPUTER TECHNOLOGY LACK IN RETAIL SHOPS CITED

Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Mar 87 p 2

[Article by S. Avdeyev, student of the Higher Cooperative School of the Central Committee of the All-Union Lenin Communist Youth Union, Moscow: "Computers Against...Lines -- Why Scientific and Technical Progress Does Not Help Commerce Serve Consumers on a Contemporary Level"]

[Text] "I recently stood two hours in line to buy furniture at the "Interior" store on Lenin Prospekt in Moscow. While I was waiting I estimated that maybe 500 people visit that store each day which means that half a million man-hours are lost each year standing in this same line!

"I myself am an electrical engineer and work with minicomputers. Quite naturally, I therefore noticed that the product of the two-hour 'epoch' in the bowels of this shop was the issuance in 5 separate lines of 5 documents comprising a record card, stub, cash receipt and still another stub and then an invoice. Two hours spent for such simple little pieces of paper! Computers could produce them in just two minutes!

"I think that commerce has become one of the best areas in which we can introduce computers today. I myself can work out a simple purchasing system that would immediately save buyers from having to wait in line, simplify the work of cashiers and very quickly return its costs".

Yu. Tsaregorodtsev, Moscow

A computer in a shop? You will agree that it is an appealing idea but is it realistic? Without specialists, we cannot say. I took Comrade Tsaregorodtsev's suggestion to the director of the Chief Bureau for Science and Technology in the USSR Ministry of Trade but alas! V.P. Klyuchnikov was not at all interested in the letter and his answer was quite firm: "This is none of my business...".

In the trade organization bureau, they were somewhat sceptical about the suggestion. The deputy director, M.E. Stepanov, said that even though he himself is a "dreamer", he advised us to try to be a little more realistic.

"Computers in shops? A computer here?", said the director of the furniture store on Lenin Prospekt, A.I. Dudarev, who was bothered with a lot of his own other problems. "You cannot have an ideal business and there is nowhere to store furniture. And computers? -- it would be easier to have 5 or 6 literate clerks fill out the documents and the results would be the same".

We have all heard such remarks before. Here is what I came to understand from my talks in the Trade Ministry -- a computer is a good thing when it works within a well-run system and when it improves that system. In business, this should be a concise and orderly system of accounting and distributing goods among all existing shops and for organization of factory production according to the demand for goods. A large-scale automated system for regulating the movement of goods could solve practically all of today's problems of business organization, make shops a sensitive gauge of consumer demand and become a logical extension of industry.

For a long time now, everyone knows that the shops do not have any wares not because there simply are none to be had. In time, a shortage becomes a shortage because the shops encourage it by not telling industry to provide them with what they (and we) need. It is sometimes even the case that scarce goods are intentionally not distributed among many sections and shops because this is a means of saving the plan (and bonuses) of those particular sections and shops.

Therefore, there appear people who have the situation in hand. Drop into the same furniture shop on Lenin Prospekt. For a specific sum they can give you just what you want even though you will never find it on the sales floor. Actually, they can provide their wares to anyone they want without computers or lines. The price is differentiated and even the quality of the delivery is differentiated. If you pay the right price, they are very interested in carefully handling your purchase.

In the opinion of one director, M.T. Gadzhinsky, "computers are just as necessary to business as they are to industry". At one time, he was the director of the "Men's Shirts" shop which was the first to use a computer.

"I received two microcomputers from the Gosplan quite coincidentally," said Murat Tofikovich. "I started looking for a programmer but found that no one could do any commercial programming. In one institute, they promised to give me a program within 6 months. That is a long time but quite by accident, we found here a very sensible fellow who gave us a program in four months. In 1983, we started using the computer and its has been working very well for four years now. The shop's business has increased from three to 6 million rubles and its annual income is as much as half a million. A model of our system was exhibited at the Exhibit of the Achievements of the National Economy but I received a strict reprimand for anarchic management methods...".

M.T. Gadzhinsky is now the director of the USSR Ministry of Light Industry's Luxury Fashion Sales and Research Center which is presently under construction in the Olympic Village. It is obvious that this center will not function well without computers. This year, a computer is being permanently assigned to the "Men's Fashion" shop on Gorky Street.

But here is a sad fact: the shops mentioned so far are the only ones in Moscow that use computers. The department stores with their ineradicable crush of shoppers still remain outside the till of electronic services.

The fact is that in many countries of the world, single packaged goods are no longer handled the way we handle them. Goods no longer carry old-fashioned price tags and cashiers no longer add up the purchase on a cash register. There is a system of universal product bar coding on the package which contains all necessary information. It is decoded electromagnetically by a machine which calculates everything automatically. And of course, there are no lines either. With full information about buyers, goods and production, commercial organizations can easily audit their operations.

At Soyuztorgsistema [Union Trade Systems Association], I was shown two samples of goods with bar codes on their packaging and told about other ways in which product codes could be used. Unfortunately, this innovation is lagging behind in our country. In this respect, we are almost 20 years behind the other European countries.

One hears many businessmen say that our contemporary form of business is practically uncontrollable. Objectively speaking, this can be blamed on dishonest employees but computers can make it impossible to play their games.

There is probably no great need to get out and agitate for bringing electronic order to business. Fortunately, there are enough enthusiasts at Soyuztorgsistema to get things moving and they have already achieved something here and there.

However, computers can only become really useful when they start being used on a massive scale. And this puts fighters for scientific and technical progress in a banal situation in which they are opposed by their own partners. For 10 years now, the Ministry of Instrument-Building, Automation and Control Systems has still not solved the problem of creating equipment for manufacturing labels and packaging nor has it manufactured any code-reading apparatus. Industry does not want to change labels for bar codes because it is too much of a bother.

The director of the USSR Trade Ministry's Automated Control Systems Department, A.V. Polkin, complained about the slow pace at which electronics is being introduced to commerce.

"Last year, we joined the International Bar Code Association. A special scientific and technical program was created. However, our efforts have so far come to nothing concrete: the supply of computer equipment for commerce

has been decentralized. We are now placing all our hopes on personal computers...".

Convinced that waiting and complaining is not the best way to prepare ourselves for the revolutionary changes, I went to find the komsomol committee in the ministry because the party does have its reasons for sending young people to work with new technology. The ministry's komsomol should make it a matter of honor to direct the fastest possible introduction of computer.

The secretary of the Trade Ministry's komsomol organization, Nadezhda Mamontova, shared this point of view in full. The problem of introducing computers to business clearly needs enthusiastic komsomol participation. But how is that to be arranged? Less than half of the 250 komsomol members in the ministry's central apparatus are involved with engineering and technical duties and the automated control systems department does not have a single komsomol member...

Here, then, are the problems that computer technology today faces in the commercial world.

12261

CSO: 1827/60

## OVERVIEW OF DEVELOPMENTS IN HOUSING SECTOR

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 3, Mar 87 pp 69-75

[Article by S. Dmitriev, division chief, USSR Gosplan; V. Loktionov, candidate of technical sciences; and Ye. Saburov, candidate of technical sciences: "Housing Construction at a New Stage"]

[Text] The task set forth in the decisions of the 27th CPSU Congress--to ensure practically each Soviet family a separate apartment or a private, detached house before the year 2000--marks a qualitatively new stage in solving the housing problem in the USSR.

Under socialism the goal of housing construction is the fullest possible satisfaction of the housing need of all the members of society. This need must not be regarded as something isolated or elementary. "How the need for housing is satisfied," F. Engels emphasized, "can serve as a measuring-rod of how all the remaining needs are satisfied..."(1) To a large extent, providing enough housing affects the entire structure of demand in the sphere of social and everyday life. Depending on evolved housing conditions, the requirements for an array of accompanying goods and services (furniture, household electric equipment, etc.) in turn exert a feedback influence on housing parameters. Thus, the appearance of television has changed the requirements for apartment floor plans.

The Marxist classics considered free time to be an extremely important amenity. Satisfying the housing need facilitates the increase of this indicator of social well-being. Moreover, the presence of nearby stores and cultural centers enhances the population's satisfaction with its living conditions. All of this shows that housing occupies a completely unique position among the range of human needs.

Due to the objectively evolved conditions during the first few five-year plans the top-priority problem, into the solution of which the basic capital investments were channeled, was increasing the country's industrial and defense potential. During those years it was impossible to carry out housing construction in the amounts that would fully correspond to the needs of the population. The Great Patriotic War was an enormous disaster for our people. In the densely populated European part of the USSR 1,710 cities and more than 70,000 villages were completely or partially destroyed and burned. Moreover,

the most valuable housing stocks were destroyed or rendered unsuitable for habitation. During the first few years of post-war construction it was necessary to restore it to the pre-war level.

During the 1950's the housing problem was exacerbated still further against the background of the accelerated post-war growth of the population. It was at this time that the objective conditions evolved which allowed us to proceed in the direction of solving the housing problem.

After the promulgation on 31 July 1957 of the decree of the CPSU Central Committee and the USSR Council of Ministers, entitled "On the Development of Housing Construction in the USSR," the amounts of housing construction in the USSR increased substantially. An enormous amount of work was done on setting up a production base for large-panel apartment-house construction, which permitted us to extensively introduce industrial methods into housing construction and step up its pace.

However, despite all the large-scale work accomplished on the social level, the housing problem did not become less acute. With the steady increase of the working people's prosperity, there was a change in the structure of the needs. The needs for housing as well as well-arranged rest and recreation outstripped the needs for industrial goods and foodstuffs. There was also a rise in the demands made on housing: it was no longer the single room, as had been typical during the first few and even the post-war five-year plans, but a separate apartment with an improved floor plan in districts with good transportation services, the availability of stores, etc.

Under these conditions it is not right to boil the problem of housing construction down to a matter of eliminating the existing shortage. The demand does not remain steady. The population's increased requirements for standards of living is determined by the growth of its prosperity and by the total increase in needs which stem from that. During the period of the most acute need for housing in the post-war years the task was posed of allotting each person the minimum area necessary for living. Under the system of communal settlement the living space came to function as the basic indicator of what was to be provided, while later, under the predominant system of separate apartment living, the total per capita space came to serve as such an indicator.

At the present time the socially necessary minimum of provided living space has been attained on the whole. As of 1 January 1986, the average total space provided in cities amounted to 14.1 sq. m per capita. There is, however, an unjustified differentiation among the living conditions in a territorial cross-section. Thus, while in the Soviet Baltic republics the total per capita living space ranges from 15.5 to 17.7 sq. m, in the Central Asian union republics this figure ranges from 10.2 to 11.2. The housing stocks are also distributed unevenly over the territory of the RSFSR: the average provision in the cities amounts to 14.2 sq. m of total space per capita. But in rayons being newly developed it is considerably less. The construction of facilities in the socio-cultural sphere and apartment houses lags behind construction for production purposes. The shortage of personnel at newly introduced industrial enterprises in regions to the east of the Urals is to be explained, in large



measure, by the failure to provide comfortable living conditions there. At the present time top-priority attention is being paid to this matter.

But the indicator of the average provision of total space far from fully reflects the level of solving the housing problem. For example, in the republics of the Soviet Baltic area, which have the most favorable indicator in this regard, the proportion of poorly laid-out apartments of pre-war construction is large and does not correspond to the quantitative composition and the sex-and-age structure of the families.

At the present-day stage of solving the housing problem it is right to evaluate living conditions not merely by the per capita provision of square meters of living or total space but also by the availability to a family of a separate apartment which is appropriate for its composition.

The change in the qualitative requirements toward housing dictates the posing of new tasks for housing construction. The Basic Directions for the Economic and Social Development of the USSR during the Years 1986-1990 and to the Period until the Year 2000 have outlined a step-by-step solution of the extremely important social problem of providing practically every family with an individual apartment or a private house. In this connection, it is planned to increase the construction of apartment houses by using the economical, new, standardized designs with improved floor plans for apartments and to provide a comprehensive character to the areas of cities and other populated points being built up.

More than 80 percent of families now living in cities have separate apartments. However, taking into account the assumed population growth and the "retirement" of the housing stocks, the task assigned is not a simple one.

There are no communal settlements in rural areas. Nowadays virtually every family in a village is already provided with either an individual house or an apartment. However, the good construction and durability of the rural housing stocks do not measure up to the needs of the population. It is not always possible to arrange this well with the aid of modernizing an existing house. Tearing down dilapidated buildings in the rural areas exceeds the retirement of the housing stocks in cities. Therefore, during the current five-year plan it is intended to carry out measures for increasing housing construction in rural localities.

During the 12th Five-Year Plan plans are to build apartment houses with a total space of 595 million sq. m, while during the three five-year plans prior to the year 2000 this figure is scheduled to reach 2 billion sq. m. But the growth in the volumes of housing construction is far from fully reflecting all the immensity of the task assigned to us. The volumes of work and, therefore, also the capacities for homebuilding as expressed in cost terms are growing more rapidly.

The quality of the housing being erected is improving steadily. During the 11th Five-Year Plan more than half of the apartment houses in the cities were erected in accordance with new, contemporary designs having improved floor plans for the apartments. In the major cities, in connection with the limited

amount of available lands, there is an increase in the number of stories in apartment houses and the construction of buildings in places with complicated engineering geological conditions. There is significant expansion in the scale of housing construction in regions of Siberia and the Soviet Far East. All these trends are steady and are factors in the increase of labor expenditures in construction and the increase in its costs. In cities the growth rate of the estimated cost per meter of total space amounted on state construction during the Ninth Five-Year Plan to 17.7 percent, during the 10th Five-Year Plan-- to 10 percent, and during the 11th Five-Year Plan--to 14.6 percent.

There has been an essential change in the nature of construction in rural areas. In carrying out the assignments of the Food Program, the volumes of rural housing construction were expanded. Rural housing construction per sq. m of total space was always more expensive than the corresponding urban construction. In 1975 this difference with regard to state construction amounted to 14.9 percent, while in 1980 it was 8.6 percent.

During the 11th Five-Year Plan they began to build farmstead-type houses for rural workers with barnyard structures. This was expressed in an increase of the estimated cost per meter of the total space of state construction by 18.6 percent for the five-year plan and its increase, as compared with urban housing construction in 1985, by 17.4 percent.

For the USSR as a whole, the estimated cost per sq. m of total space of apartment houses, erected by means of capital investments during the last 15 years has grown by 48.5 percent in comparable prices. Taking into consideration the fact that during the years 1985-2000 the quality and, therefore, also the labor consumption of erecting houses will grow, while the volumes of housing construction expressed in physical terms is intended to increase by 23.1 percent, it is easy to imagine the entire scope of the task assigned by the 27th CPSU Congress.

In evaluating the population's standard of living, the living conditions rank high. Leveling off the unjustified differentiation in housing provisions between city and village and between various territories in our country, the transition to a qualitatively new stage of improving the standard of living--providing each family with a separate apartment or a private house--these are social problems. Basically they are solved by means of public funds. During the 11th Five-Year Plan the proportion of state funds amounted to 77.3 percent within the total volume of capital investments in housing construction.

Offering housing with rather low apartment rents is the implementation of a social function of housing construction that finds its reflection in the prospective programs of building housing and should not be regarded as a statement of the evolved level of housing provision. These requirements have been taken into consideration by the program for providing each Soviet family with a separate, well-laid-out apartment or a private house; they are in conformity with the norms of housing space suitable on a per capita basis in newly settled apartments.

At the present time the principles of settling people into new places have been substantially changed and improved. In accordance with the fundamentals of the housing legislation of the USSR and the Union republics adopted in 1981 and the appropriate housing codes of the Union republics, the norms of providing general and living space per capita in granting a new apartment.

The social function of housing construction is constantly being expanded. Citizens who are the owners of their own individual housing stocks, in getting in line to wait their turn in order to improve their living conditions, have equal rights as the rest of the population. In case it is necessary to tear down an individual house, its owners are not only offered housing but are also reimbursed for material damages in the form of payment for the value of the house.

The privileges of young people and other categories of workers in joining a cooperative and in building private homes have been expanded and will be further expanded. Such reimbursement of part of the expenditures is also directed at implementing the social guarantees of housing provisions and is carried out from public consumption funds.

In addition to the social function, the improvement of housing conditions also performs an important economic function, regardless of what funds are used to carry out housing construction.

Unfortunately, the question of the actual influence of housing construction on the country's economy as a whole must be relegated to those that are not studied enough. In studying about the effectiveness of housing construction, people fundamentally limit themselves to general words to the effect that the creation of more comfortable conditions for the population's living by means of an increase in the quality of housing exerts a positive influence on social results and on the economy as a whole. As a rule, people mean by this that increasing the quality of housing brings about an increasing in the population's capacity for work and a reduction in the incidence of illness. By means of this the product output can be increased, and funds from the budgets of social insurance and health care can be economized upon.

In our opinion, in determining the economic effectiveness of housing construction, we must take into account its effect on the growth of the national income, without limiting ourselves to merely its direct contribution. Granting housing to the population is a powerful stimulus to increase labor activity. The macroeconomic consequences of the development of housing construction have an effect on increasing labor activity and thus on increasing the contribution made by working people from the most diverse sectors to the national income. The Materials of the 27th CPSU Congress note the necessity of looking at the development of the social sphere in a new way and of evaluating its growing influence fully.

We must broaden our research in this field. We must not limit ourselves to merely stating the fact that "there is an influence." We must study this influence, discover its quantitative expressions, and, based on them, develop recommendations with regard to conducting an optimal housing policy. In this connection, we need not only computations of the reduction in absenteeism at

work because of illness but also a manifestation of the presence and nature of joint changes in the growth rate of the national income and capital investments in housing construction and determining the degree of their economic significance. Moreover, it is necessary to analyze the factor structure of this influence and the allotment of a portion of the direct contribution, indirect contribution, and stimulus of labor activity.

On the whole, it should be emphasized that the housing sector, both on the level of housing construction, reconstruction, and modernization of the housing stocks, as well as the use of the housing and the infrastructure connected with them, exerts a direct and an indirect positive influence on the creation of national income and economic growth. In addition to multiplying the national wealth, housing construction, by means of satisfying the need for housing, influences the population's motivation and labor productivity. The optimal regional policy in housing construction, connected with the territorial distribution of production, facilitates a better use of production forces and the regional potential. A targeted sectorial policy of capital investments in housing construction ensures the observance of the intended sectorial proportions in the development of the country's economy by means of stimulating growth, reinforcing and increasing the labor yield of personnel at the most important production facilities.

At the present time increasing the quality of housing, as understood in the broadest sense, is advancing to the foreground. Moreover, providing every family with a separate apartment or private home is now becoming the most vital problem. This is a task for the strategic plan. It is central at the present-day stage of solving the housing problem in our country.

In our opinion, in order to solve this strategic problem, it is necessary to develop the following four key complexes of measures.

In the first place, we must create a system of targeted indicators of housing construction differentiated as to Union republics and in the RSFSR as to natural-construction regions. These indicators should include the scientifically justified quarterly structure of housing construction, the norms of the living space and total space of apartments; they ought to be based on the demographic forecasts as to the age-and-sex as well as family structure of the population, and they should become the foundation for selecting recommended designs of apartment houses as well as developing prospective ones for the future. In order to do this, we must strengthen the role being played by the local planning organs and zonal institutions. Working out such indicators, keyed to specific need, will allow us in the future to make the transition to planning not only the introduction of the total space of the apartment houses but also, and this is extremely important, planning the number of apartments to be built. This will help us to avoid disproportions between the demand for apartments of a certain type and the planning-and-construction practice. In order to effectively introduce targeted, territorially differentiated planning indicators, it is also necessary to strengthen the role played by the territorial cross-section of the departmental plans of housing construction.

The territorially differentiated indicators, also including the number of apartments being built by types, must take into account the region's demographic prospects and must depend on those adopted in planning the principles of the build-up. Moreover, it is necessary to take into consideration the possibility of a homebuilding base. Calculations show that, under an optimal policy of building apartments by types and placing people in them, solving the assigned problem--by the year 2000 providing virtually every family with a separate apartment or a private home--is possible within the bounds of the intended introduction of 2 billion sq. m of total apartment-house space. However, a departure from the outlined strategy could bring about negative consequences and lead to a disruption of the intensified assignments. It would be feasible, therefore, to make scientifically justified territorially differentiated indicators the targeted norms at all levels of planning housing construction.

The existing, predominantly sectorial planning procedure does not facilitate the levelling off of the unjustified regional differentiation of housing provisions. In certain instances it is capable of making it worse. In order to counter these tendencies, during the 12th Five-Year Plan there has been a substantial strengthening of the role to be played by the territorial cross-section of the departmental plans for housing construction. In certain regions it is intended to conduct experiments with regard to converting to the territorial principle of planning.

The second problem requiring effective solution is working out integral appraisals of the value of the housing stocks and housing construction. The optimal policy in the area of planning housing construction cannot be effectively conducted without an evaluation of the future costs of operation and capital repair of the residential buildings. During the 11th Five-Year Plan the average annual expenditures on capital repairs amounted to approximately 3.3--3.6 billion rubles. Removal of housing because of decrepitude reaches about 50 million sq. m per five-year plan in cities and urban-type settlements. In the very near future the question will arise of measures to preserve and renew obsolete and run-down housing stocks built during the 1960's. The new requirements for the operational suitability of apartment-house designs pose tasks of economizing on energy and other non-renewable resources. Closely linked with this is the problem of the unjustified increase in the cost of housing construction, which is partly caused by the uneconomical expenditure of material and labor resources in construction. The difference between the planning and the actual estimated cost per square meter of total area is great. In developing plans for apartment houses, not enough attention has yet been accorded to the characteristics of implementing adopted decisions.

In the third place, it is necessary to develop targeted, territorially oriented indicators of housing construction, prospective, economical designs for apartment houses and a complex of measures to stabilize the actual housing costs, which will allow us to create a scheme for developing and deploying new, industrial-type homebuilding enterprises and for modernizing the existing ones. To our way of thinking, this is a problem that requires solution without delay. The increase in introducing housing during the years 1986--2000 assumes an accelerated increase in the capacities of the construction

industry. This work should be begun already so as to ensure the intended growth rate in housing construction during the years 1990-2000. Moreover, in the European part of the USSR we must proceed primarily by means of reconstructing and making the best possible use of the existing capacities, whereas in the remaining regions we must carry out new construction. Homebuilding combines should receive widespread adoption.

In the Central Asian republics it is feasible to develop homebuilding using monolithic reinforced concrete. Houses built by this method are earthquake-resistant, and their construction does not require the creation of a construction-industry base. Under the conditions of the lag which has developed in housing provisions and the growth in the population which has outstripped the average indicators, the tasks of introducing apartment houses for these regions is more intensive than for the USSR as a whole. The merits of homebuilding making use of monolithic reinforced concrete are generally well known; however, its widespread introduction is being held up by a lack of improvement in the system of planning in construction.

The fourth extremely important problem is improving the planning of the work of the contract-type construction organizations. At the present time the interests of the individual construction organizations and those of the contracting ministries are frequently not in harmony with those of the national economy. Planning the wage fund of builders by proceeding from the volume of construction-and-installation work objectively motivates the contract organizations to make construction more expensive and to increase the amounts of unfinished construction. Measures to create a system of awarding bonuses for turning over projects have, unfortunately, proved to be insufficient. In housing construction the proportion of losses because of poor organization and interruptions due to lack of provision of the working front is still too great. In this connection, the shortage of labor resources in construction is artificial to a considerable degree.

Under these conditions only the complete repudiation of planning by "gross volume" and converting to genuine cost accounting can reduce the unjustified growth of unfinished construction, ensure greater smoothness in putting projects into operation, and by means of the accelerated introduction of the achievements of scientific and technical progress slow down the increasing expensiveness of construction.

Improving housing construction must proceed by taking into account the reciprocal influence of social and economic factors. A large role should be played by close scientific and practical contacts between the architectural, construction, and economic scientific institutions and the planning organs. Of particular importance in this connection are the corresponding sub-systems of the USSR Gosplan ASPR [Amended System of Planning Calculations Department] and the Gosplans of the Union republics.

At the present time the organizational-developmental sub-systems entitled "Housing Construction" of the ASPR's have accumulated a great deal of scientific and practical potential. The sub-system proper has outgrown the confines of conducting planning calculations. It has been "built in" to the process of planning. This has had a particular effect in the development of

long-term plans. Within the sub-system's framework a model conjunction of various demographic, social, and economic indicators has been carried out, and planning solutions have been approved in many variants. However, this work cannot be of a "one-time" nature. It is necessary that the variants being proposed undergo a model conjunction in the ASRP in the procedure of a machine-simulated experiment. Then the final selection of this or that solution will be more scientifically justified.

Upgrading the quality of the renewable housing requires additional expenditures and can be implemented only insofar as the society's economic potential is increased. At the same time, the creation of more comfortable living conditions for the population by means of improved housing quality exerts a positive influence on social results and the economy as a whole. The social and economic aspects of solving the housing problem find specific reflection in the correlation between the funds allocated for housing construction by sources of financing. Growth in the population's real income and the desire to improve its housing conditions facilitate an expansion of cooperative and private housing. Attracting the population's funds to solve the housing problem is also possible by rendering additional paid services in finishing and equipping new apartments, proceeding from the individual requirements of inhabitants. Increasing the proportion of the cooperative housing construction will also be helped by the ongoing experimental testing in several cities of the procedures for selling houses to cooperatives in the new districts built by means of state capital investments.

Optimal planning of proportions between the sources of financing makes it possible not only to more fully satisfy people's housing needs but also to increase the country's economic potential.

Implementing the widescale program of housing construction program set forth by the 27th CPSU Congress will be an important factor in accelerating the Soviet's society's socioeconomic development.

#### FOOTNOTES

1. K. Marx and F. Engels, "Works," Vol 2, p 302.

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CSO: 1827/59

## WORK SAFETY RULES IN OIL INDUSTRY LAGGING

Moscow NEFTYANIK in Russian No 3, Mar 87 pp 14-15

[Article by V. Kapnik, technical work inspector for the Central Committee of Trade Unions: "A Unified System Should Become Operative"]

[Text] The meetings of the Collegium of the Ministry of the Petroleum Industry and the Presidium of the Central Committee of the Trade Union for the sector noted the sluggishness of the associations' directors in the matter of introducing a Unified System of Work Safety Regulations in the petroleum industry (YeSUOT NP). The overall purpose of YeSUOT NP is to draw up and carry out resolutions on implementing organizational, legal, technical, sanitary-hygienic and medical-preventive measures, directed toward ensuring complete work safety and personal high and lasting fitness for work.

The system of regulating work safety in the association and trust and at the enterprise is given in the diagram. The list of structural subdivisions concerned with accomplishing specific tasks in work safety regulation is given in the table.

In the system (see diagram and table) it can be seen that the influence of the regulation organs (1) on its objects (2) is ensured by fulfilling certain (I-V) functions (3) to solve specific problems (4) ensuing from continuous analysis of the incoming information (5) on the state of work safety in the shops, at the sections and at the work places (see Part 8, Chapter IV of YeSUOT NP).

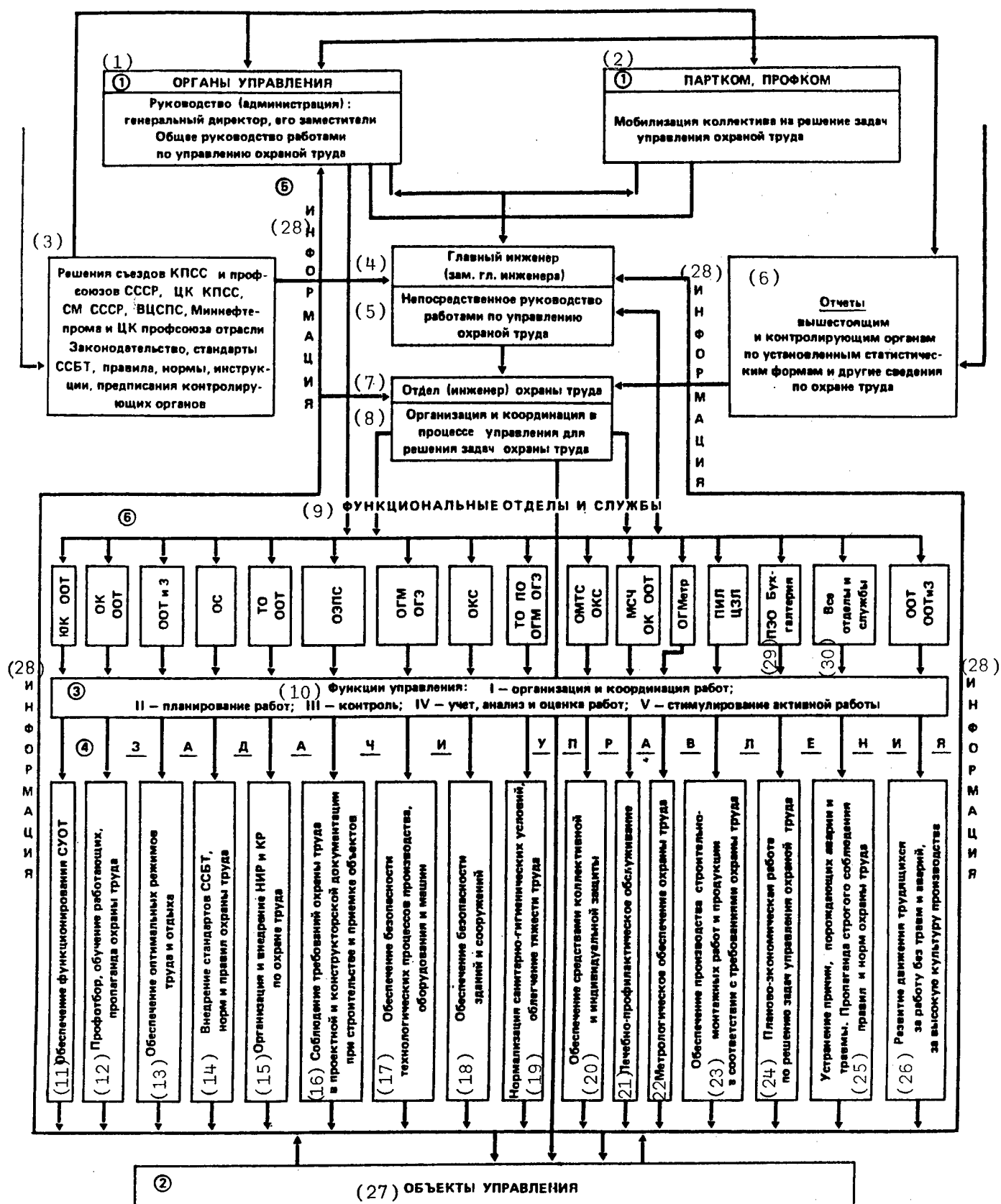
Departments, services and officials from all levels of the economic mechanism take part in the regulation (see table). The effectiveness of their participation in solving regulation problems depends on clear-cut regulation of the functions, rights and duties with respect to problems of work safety and is ensured by their close interaction.

It should be noted that the Unified System should be supported by a method-organization-legal base, regulating its functioning. In YeSUOT NP this base consists of the standards for work safety at enterprises (STP SSBT). These standards must, obligatorily, be executed, are subject to precise control, are interrelated and are worked out in accordance with normative-technical documents in effect in the sector. When necessary they can be efficiently put into effect or changed by the organization management. STP SSBT must be worked out and introduced in accordance with Part 7, Chapter II of YeSUOT NP.



Tasks of Work Safety Regulation	Subdivision-Executors*	Subdivision-Coexecutor (Participant)*
Occupational selection, training of personnel in safe work methods	ОК, ООТ <sub>м3</sub> , ОТО	ООТ, РП
Propaganda for strict adherence to work safety rules, norms	ООТ, РП	ООТ <sub>м3</sub> , НИС
Ensuring safety of: production equipment, machines, mechanisms	ОГМ, ОГЭ, ОБ, ОД	РП, ООТ, НИС, ПСЛ, ОГМетр
production processes	ПО, ОБ, ОД	РП, ООТ, ОГМ, ОГЭ, НИС, ПСЛ, ОГМетр
buildings, structures	ОКС	РП, ООТ, ИПБ
Standardizing sanitary-hygienic work conditions	ПО, ТО	ПСЛ, НИС, ООТ, ООТ <sub>м3</sub> , МСЧ, ОМТС, РП
Ensuring gas safety, earth and environmental protection	РП	ВГСЧ, ТО, ОГБ, ООС, ООТ
Providing workers with means of collective, individual protection	УПТОМК	РП, ООТ, ОМТС, ПК
Providing optimum work, rest conditions	ООТ <sub>м3</sub> , ЮК	РП, ООТ, ПК
Organizing medical-preventive service	МСЧ	РП, ОМТ, ОМТС, ОКС, ПК
Organizing public, domestic sanitation services		РП, ООТ, ОМТС, ОКС, ПК
Comprehensive prevention of production injuries and occupational disease	РП, ООТ, ОТО	ООТ <sub>м3</sub> , ОК, ОГМ, ОГЭ, ПО, ТО, ОБ, ОД, МСЧ, НИС, ПСЛ, ОМТС, ПК

\* ООТ--department of work safety; НИС--normative-research station; МСЧ--medical sanitation section; ПК--trade union committee; РП--subdivision director; ОГМ--department of chief mechanic; ОМТС--department of material-technical supply; ОКС--capital construction department; ОТО--technical training department; ОК--personnel department; ООТ<sub>м3</sub>--department of labor organization and wages; ПС --industrial sanitation laboratory; ОГМетр--department of meteorology (senior meteorologist); ИПБ--fire-safety engineer; УПТОМК--regulation of production-technical equipment and complete units; ТО--technical department; ПО--production department; ВГСЧ--militarized gas rescue station; ОГБ--department of gas safety (at deposits with heightened hydrogen sulfide content); ООС--department (senior engineer) of environmental protection; ОБ--drilling department; ОД--extraction department; ЮК--legal adviser; ОЭПС--department of plans and estimates appraisal; ПЭО--planning-economic department; ОПЭ--department of chief power engineer; ОС--department of standards.



[Key on following page]

Key:

1. Regulating Organs - Management (administration): general director, his deputies. General management of the workers for work safety regulation.
2. Party Committee, Trade Union Committee - Mobilizing collective to solve problems of work safety regulation.
3. Resolutions of USSR CPSU and Trade Union congresses, CPSU Central Committee, USSR Council of Ministers, All-Union Central Trade Union Council, Ministry of the Petroleum Industry and Trade Union Central Committee for the sector. Legislation, SSBT standards, rules, norms, instruction, orders of regulating organs.
4. Chief engineer (Deputy chief engineer).
5. Direct management of workers for work safety regulation.
6. Reports - To higher and regulating organs according to specified statistical forms; other information on work safety.
7. Department (engineer) of work safety.
8. Organization, coordination in process of regulation to solve work safety problems.
9. Functional Departments, Services.
10. Regulating functions: I--work organization, coordination; II--planning work; III--control; IV--record, analysis, evaluation of work; V--stimulating active work.
11. Ensuring SUOT functioning.
12. Occupational selection, training of workers, work safety propaganda.
13. Providing optimum work, rest conditions.
14. Introducing SSBT standards, norms, rules of work safety.
15. Organizing, introducing NIR, KR for work safety.
16. Adherence to work safety requirements and planning, design documents when constructing and accepting objects.
17. Ensuring safety of industrial production processes, equipment, machines.
18. Ensuring building, structure safety.
19. Standardizing sanitary-hygienic conditions, easing work load.
20. Providing means of collective, individual protection.
21. Medical-preventive service.
22. Metrological assurance of work safety.
23. Ensuring performance of construction-installation work and production in accordance with work safety requirements.
24. Planning-economic work on solving work safety regulation problems.
25. Eliminating causes of accidents, injuries. Propaganda for strict adherence to work safety rules, norms.
26. Developing worker movement for injury and accident-free work, for high production standard.
27. Objects of Regulation.
28. Information.
29. PEO accounting.
30. All departments and services.

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## WAGE CHANGES, NEW LABOR METHODS IN NOVOSIBIRSK EXPLAINED

## The Siberian Experience

Moscow SOTSIALISTICHESKIY TRUD in Russian No 3, Mar 87 p 84

[Introductory comments: "What the Siberian Experience Teaches"]

[Text] Major results were achieved by enterprises and organizations of Novosibirsk Oblast in the course of the experiment of switching over to the collective contract. It received the approval of the USSR State Committee for Labor and Social Problems and created much interest among workers. The published articles by Ye. Posadskov, S. Zverev and B. Lysenko, and V. Khlevetskiy and V. Peshkov describe the development, unsolved problems and improvement of the new method of wage organization at several Novosibirsk enterprises.

## Earnings Distribution in Contract Collectives

Moscow SOTSIALISTICHESKIY TRUD in Russian No 3, Mar 87 pp 84-90

[Article by Ye. Posadskov, scientific associate of the Western Siberian Affiliate of the Scientific-Research Institute of Labor: "Distribution of Overall Earnings in Contract Collectives"]

[Text] One of the most complex and important problems solved in the course of conducting the experiment at a number of enterprises of Novosibirsk and Novosibirsk Oblast of disseminating the principles of the contract to production units larger than brigades was finding the most equitable methods of distributing overall earnings. These earnings are distributed here while taking into account wage rates, salaries and time worked and involve the use of the labor-participation coefficient.

The first question that arises in this connection is: what portion of the total wage fund should be divided on the basis of the coefficient of labor participation? Here various solutions were found. In some units, they divide up on the basis of the labor-participation coefficient the entire above-the-wage portion of the total fund (a number of sectors of the Elektrosignal Plant, the No 6 construction sector of the Novosibirskpromstroy Trust), in others, the total bonus and wage-fund savings (the sewing flows [potoki] of

the Ob Leather Footwear Association) and in still others, only the bonus (sectors of the cutting and sewing shops of Severyanka Sewing Association and shops of the Tool Plant).

Many collectives are taking the route of including in payments an increasingly larger number of wage elements on the basis of the labor-participation coefficient. Practice shows that the larger the portion of the general wage fund divided with the use of the labor-participation coefficient, the more significant is its impact on the labor and production discipline of the workers and on their work in fulfilling plan targets. For example, the number of unauthorized absences as a rule is smaller in those units where the entire above-the-wage portion of the overall earnings is distributed than there where only the bonus is divided.

As a result of introducing the coefficient of labor participation, the individual labor contribution has begun to be more accurately taken into account. In the collectives that have gone over to the contract, this applies informally: for about 50 percent of the workers on the average the labor-participation coefficient is corrected monthly in the direction of increase or decrease. In this there are taken into account first of all overfulfillment (underfulfillment) of shift targets, production quality (presence of defective output), holding two jobs or performing two operations and labor discipline. Thus the most important trends in the work of individual personnel who affect to the greatest extent the end work results of the entire collective are influenced through the labor-participation coefficient. A rise in coefficients is also planned for introduction of new and improvement of existing production processes, that is, the possibility has appeared of effectively encouraging personnel who have most distinguished themselves in this matter.

A special feature of the Novosibirsk experiment is also the fact that the work not only of workers but also of shop engineering and technical personnel is evaluated on the basis of the labor-participation coefficient. Whereas formerly wages were reckoned for each person individually, now individual earnings are considered as part of the general fund credited for the collective's end results. This part corresponds to the labor contribution determined with the aid of the labor-participation coefficient. Its introduction for engineering and technical personnel has a positive effect on their labor and creative yield. In such a setting it is "uncomfortable" for slack workers. If they are unable to work better here, they leave of their own accord. The following example is indicative. In the animal-husbandry shop of Morskoy Sovkhoz after the labor-participation coefficient had been thrice reduced for the chief veterinarian physician who unsatisfactorily performed his duties, he was fired. A similar case occurred in the frame-stamping shop of the Elektrosignal Plant, where after repeated reduction of the coefficient of labor participation, one of the technologists was forced to give his place up to a more able worker.

Reduction of the coefficient of labor participation in most cases forces specialists to shape up and to eliminate oversights in their work. At the same time, coefficients may be raised for those who make a bigger contribution to the common cause. For example, in the electroplating shop of the same

Elektrosignal Plant, labor-participation coefficients were boosted for the technologist and the machinist for their effectiveness; at the clamping-tool plant shop of the Tool Plant, engineering and technical personnel were rewarded through the labor-participation coefficient for performing a larger volume of work (three technologists were doing the work of 5) and for high quality of personal labor, independence and initiative in the solution of problems. At shops of the Severyanka Association, the coefficient of labor participation is being raised for engineers for holding two jobs.

Positive improvements have taken place in connection with use of the labor-participation coefficient. The share of workers has grown for whom it has been corrected by being raised. For engineering and technical personnel, its relative share was increased 1.5-fold. At the same time, at most enterprises, they have started to raise the coefficient of labor participation more frequently, which is indirect evidence of an improvement of the engineering and technical personnel's attitude toward their work.

The analysis conducted on the manner and practice of establishing the coefficient of labor participation revealed a number of defects and problems.

At enterprises participating in the experiment utilizing classifiers of indicators of reduction and raising of the labor-participation coefficient, the number of the former predominates as a rule. For example, the classifier of the Voskhod Baking Association numbers 33 indicators, of these 12 were raised. At the Ob Leather Footwear Association, 3 reward indicators and 15 punishment indicators were inaugurated.

The criteria for raising the labor-participation coefficient were particularly poorly worked out for engineering and technical personnel. For example, the classifier at the Ob Association referred to for engineering and technical personnel in general does not provide a single reward indicator. In a number of cases, they are logically not related to methods of determining the basic values of the labor-participation coefficient computed on the basis of existing proportions in wages, which in turn reflect the levels of productivity and the quality of work of individual personnel.

Classifiers of the social side of the life of collectives were almost completely bypassed. The possibility is nowhere provided, for example, of punishing a worker for creating conflicting situations in a collective, for rudeness and a tactless attitude toward comrades. At the same time, such behavior can significantly affect the labor productivity of an entire sector or shop.

At some enterprises, individual classifiers of indicators of the coefficient of labor participation are operative for workers and specialists. We think that in this case, unity is disrupted in evaluation of the labor contribution of all workers. Of course, it is impossible to evaluate completely identical operational indicators for workers and engineering and technical personnel. In our view, it is necessary to have a single classifier of indicators. Some of them should be general for all workers and others specific. This makes it possible to secure greater coordination of personal and collective interests.

It was not possible to completely eliminate elements of wage leveling in approaching the labor contribution of certain categories of personnel. In many cases with varying severity of violations (substantiveness of achievements), the coefficient of labor participation is corrected for one and the same amount. For example, in stamping sector No 2 of the frame-stamping shop of the Elektrosignal Plant, in 66 cases of raising the coefficient of labor participation for overfulfillment of production norms, it was raised by 0.1 in 65 cases. The situation is similar for reduction of the labor-participation coefficient. It would be unlikely in this for the norms to be identically overfulfilled (underfulfilled).

The defects pointed out make it possible to formulate certain requirements relating to the procedure and system of indicators for correction of the labor-participation coefficient:

- (1) the system of evaluation indicators of personal contribution must be balanced. The number and substantiveness of reward indicators must not be less than the number and substantiveness of reduction indicators of the labor-participation coefficient. At the present time, special attention needs to be paid to the criteria of raising the labor-participation coefficient for engineering and technical personnel;
- (2) correction indicators have to be clearly tied in to the method of determining basic coefficients of labor participation and stem from it;
- (3) in working out a system of indicators, one should avoid their duplication. At the same time, they must encompass all sides of production activity;
- (4) the number of indicators must be the same for all workers. The special features of the labor of different categories of workers should also be taken into account;
- (5) it would be useful to establish points of reward (punishment) in a differentiated manner depending on the specific labor contribution of each individual.

In our opinion, in selection of specific indicators for correction of the labor-participation coefficient it would be useful to employ the factorial approach. At the same time, it is necessary to select first and foremost such labor-contribution factors that would be characteristic of all categories of personnel. Such an approach was used by us in creating a single classifier for evaluation of the labor of workers and engineering and technical personnel under contract (see Methodological Recommendations Relating to the Use of the Collective Contract in Production Sectors Developed at the Western Siberian Affiliate of the Scientific-Research Institute of Labor).

The factorial approach makes it possible in evaluating the labor contribution of any aspects of activity to validly group indicators according to these factors and to more accurately estimate the weight of the indicators on the basis of the factors' importance.

The labor contribution factors common to all workers are:

- (1) qualifications (within the compass of a category or a position they can be different);
- (2) labor activity;
- (3) creative activity and initiative;
- (4) labor and production discipline;
- (5) labor interrelations with comrades.

Each factor can be expressed with several indicators. Furthermore, the specific character of the activity of engineering and technical personnel is reflected in the fact that, aside from individual labor results, they also are responsible for the labor results of their subordinates. For example, qualifications can be evaluated by the level of vocational skill and production quality (for engineering and technical personnel for the sector as a whole). The latter can also be rewarded (punished) for a high (low) level of labor organization and standard of production in the sector and stoppages in other units due to the fault of the given collective. All this, in our view, can characterize the vocational skill of engineering and technical personnel and the quality of their work.

Labor activity is expressed through the accomplished quantity of work, efficiency, holding two jobs and others.

According to the third factor, the members of a labor collective can be stimulated by a proposal for improving the production process and labor organization. Rewards should be based on the number of proposed measures and their effectiveness. The labor-participation coefficient may be reduced for nonfulfillment of the plan of organizational and technical measures or raised for a large contribution to the fulfillment of this plan.

Violations of labor production discipline are examined on the basis of the fourth factor. For engineering and technical personnel, aside from individual discipline, it would be useful to consider the discipline level in the sector. Such indicators for a foreman, for example, may be the number of unauthorized absences in the sector, for a technologist, the number of violations of technological discipline and for one and the other idling of workers through their fault.

On the basis of the fifth factor, workers are rewarded for instruction and other assistance to comrades. They can also be punished for creating conflicting situations in the collective.

An important element of the system of evaluation on the basis of the labor-participation coefficient is the determination of basic labor participation coefficients. The latter are needed in the case where workers with different levels of qualifications and labor productivity and consequently of wages are combined in one collective. A basic labor participation coefficient is especially necessary when workers and engineering and technical personnel are included in the same collective. The levels of their pay existing at the present time differ, the earnings of workers being frequently higher than of engineering and technical personnel. In order to prevent an unjustified



redistribution of the pay of some workers to that of others when wage rates and salaries are used as a basis in distribution of the collective earnings, it is necessary to introduce basic labor-participation coefficients. Various approaches exist. For example, at the Elektrosignal Plant basic labor-participation coefficients for piece-rate workers in some shops are calculated by dividing the wage rate of a conferred category by the wage rate of a time-rate worker of the first category and for time-rate workers and engineering and technical personnel as a ratio of the planned amount of time of the respective worker and the monthly wage rate of a time-rate worker of the first category.

In distinction to the base-labor participation coefficient of pieceworkers constituting in essence a rate coefficient, the basic labor-participation coefficient for engineering and technical personnel and time-rate workers is a value difficult to interpret as its economic meaning is not understandable. The theoretically similar method of calculation has no basis as it was obtained purely empirically.

The existence of two different methods of calculating the basic labor-participation coefficient for workers and engineering and technical personnel disrupts methodological unity in evaluation of their labor contribution. The basic labor-participation coefficient for pieceworkers is always bigger than one, while for time-rate workers and engineering and technical personnel it is in any case less than one. Moreover, basic labor-participation coefficients stay unchanged over the course of an indefinite period of time. In this way workers and engineering and technical personnel are put in a clearly unequal position in distribution of collective earnings.

In a number of collectives, the relation of the average monthly pay of a worker shown for a full month as 100 is used as a basic labor-participation coefficient. But in the given case pay differences remain fixed for an extended period. This can result in reducing the interest in growth of labor productivity. Consequently, it is necessary here to actively use a correction of the labor-participation coefficient, which is not always done. Furthermore, this method is unsuitable when the product of the wage (salary) earnings for the labor-participation coefficient is taken for the integral evaluation of the labor contribution in distribution of the overall earnings because then there would be a double counting of the wage (salary) which is included in average monthly earnings.

In the case of distribution in a contract collective of only the bonus and/or savings of the wage fund, it is quite justifiable to take the figure one as the basic labor-participation coefficient. This is how it is done among the contract collectives of the Tool Plant and the Severyanka Association where the overall bonus is divided among the workers. For foremen, basic labor-participation coefficients are determined as weighted average actual labor-participation coefficients of workers. At the same time, lowering of labor-participation coefficients of workers results in lowering of the labor-participation coefficients of foremen, which hardly contributes to increasing their demands on subordinates. In our view, it would be more logical in the

given case to also establish basic labor-participation coefficients for engineering and technical personnel as the figure one and then to correct them on the basis of achievements or lapses in work.

Sometimes unjustifiably complicated methods of determining basic labor-participation coefficients are used for collectives. They are considered as the products of three coefficients: qualifications, bonuses and fulfillments of output norms. Moreover, the qualifications coefficient is determined as the relation of a worker's wage rate to the weighted average wage rate for the sector. The bonus coefficient is calculated similarly. The coefficient of norm fulfillment is the relation of the level of fulfilled output norms of a collective member in the basic period to the average norm fulfillment level for pieceworkers in the same period. For time-rate workers and engineering and technical personnel, this coefficient is taken to being equal to the figure one, which can in no way be substantiated. The fact that here differences in the levels of individual labor productivity and individual qualifications are considered as well as differences in bonus awards belongs to the strong sides of this method of calculating the basic labor-participation coefficient. But basic labor-participation coefficients determined in this manner are almost inaccessible to the understanding of workers, and the laboriousness of their computations is great.

Analysis of the practice of computations of basic labor-participation coefficients among contract collectives makes it possible to make certain conclusions.

The method of establishing basic labor-participation coefficients in our view should be the same for all categories of workers belonging to a contract collective--basic and auxiliary workers and engineering and technical personnel. But this in no way means that the absolute values of these labor-participation coefficients will be the same for all. Differences in forms of pay existing prior to the introduction of the contract and existing sizes of earnings dictate the need for different sizes of basic labor-participation coefficients existing up to the present time.

It is important for the methods of determining basic labor-participation coefficients to have a sufficiently clear economic sense and to be understandable to workers. For example, correlations of actually existing sizes of above-the-wage (above-the-salary) and wage (salary) parts of earnings reflect the actual levels of individual labor productivity and quality of work in the past. The method proposed by us of calculating basic labor-participation coefficients was adopted at the Novosibirsk Voskhod Baking Association and was included in the recommendations worked out by the All-Union Scientific and Methodological Center for Organization and Management of Production. (1) But here indicators of dynamics are required as correction indicators of labor-participation coefficients, which cannot always be done.

Another variant exists where plan sizes of above-the-wage (above-the-salary) and wage (salary) pay are taken into account. Then for time-rate workers and engineering and technical personnel for whom the above-the-wage pay prior to the introduction of the contract consisted only of a bonus, basic labor-participation coefficients are computed as the relation of the planned percent

of the bonus to 100. For pieceworkers, basic wage participation coefficients must be determined on the basis of the relation of their planned bonuses and extra earnings to the wage rate. This method makes it possible to employ for correction of labor-participation coefficients indicators characterizing the fulfillment of different individual and collective planned targets.

In establishing basic values of labor-participation coefficients, it is necessary to take into consideration that there will be adopted in the future a so-called rated value or integral evaluation of the individual labor contribution. This is that quantity in whose proportion the total collective earnings will be distributed. It is an integral (generalizing) characteristic of the labor contribution because, in addition to productivity and quality of work measured by the labor-participation coefficient, it also characterizes two other very important elements of the contribution to the joint results--the amount of labor (time worked) and its complexity.

At enterprises participating in the experiment, three variants are employed for determining this quantity. It can be calculated: in the form of products of wage (salary) earnings by the labor-participation coefficient, in the form of products of the sizes of basic earnings by the labor-participation coefficient (for pieceworkers piece-rate pay, for time-rate workers and engineering and technical personnel--wage-rate) and in the form of so-called coefficient-hours (that is, products of the sizes of actual labor-participation coefficients by the number of hours worked).

Each form of integral assessment of the individual contribution is characterized by its own methods of calculating basic labor-participation coefficients.

The mechanism of assessing the individual labor contribution and of determining collective earnings may be considered to have been sufficiently developed in the course of the experiment. Less studied is the problem of assessing the joint (group) labor contribution and of measuring the influence of the operation of individual structural units included in a large production collective (shop, enterprise) on the end results of its work. In this connection, a further search is required for methods of distributing the joint collective wage fund, including at levels larger than sectors. A method of distributing the joint collective earnings of a shop according to the coefficient of labor contribution (KTV) of a unit, characterizing its influence on the shop's joint end results has been worked out as a possible approach at the Western Siberian Affiliate of the Scientific-Research Institute of Labor. Confirmation of this method is being carried out. With the help of introduction of the labor-contribution coefficient, it is proposed to increase the interest of structural subunits and the entire shop in fulfilling technico-economic indicators. First the rated (basic) labor-contribution coefficient is determined as a product of the quantities evaluating the fulfillment of very important indicators of sectors. Such indicators can be, for example, production volume, production quality and regularity of its output. For units that do not manufacture their own products, indicators of the whole shop are taken into account. The evaluation obtained in this way can be changed on the advice of the contract collective of the shop by being made higher or lower. The main difference between

correction of the labor-participation coefficient and of the labor-contribution coefficient is that in the former case indicators of individual labor results are used and in the latter, indicators characterizing the work of the shop's units. Here there should be taken into consideration the contribution of intrashop units in accomplishment of the new equipment plan, organizational and technical measures, assistance by a sector in fulfillment of the plan of another, the contribution of groups of joint shop management and services for reducing labor intensiveness at basic-production sectors and so forth. The labor-contribution coefficient should be reduced in cases where, because of a breakdown in the operation of some unit, indicators have deteriorated for the shop as a whole.

However, the labor contribution coefficient principally characterizes the influence of the shop's structural units on the fulfillment of its bonus indicators. It does not reflect the relative importance of the volume of work performed by a sector in the total volume of a shop's production and also the complexity of work of a given unit. The difficulty of accounting these two criteria lies in the fact that the volume and complexity of work of auxiliary units and groups of joint shop management and services can be evaluated only indirectly, for example, through the planned wage fund. For this reason, in distribution of overall shop earnings, they are divided proportionally by the products of the labor-contribution coefficient for the planned wage fund of structural units. This fund in the given case consists of planned basic (piece-rate, wage-rate) earnings and the planned amounts of bonuses for basic operation. Through the labor-contribution coefficient, it is possible on the decision of the council of a shop's contract collective to distribute the above-the-wage portion of its total wage fund computed according to the joint shop norm or the bonus portion of this fund.

The search for new approaches to distribution of collective earnings is continuing.

#### FOOTNOTE

1. See "Vremennyye rekomendatsii po vklyucheniyu inzhnerno-tekhnicheskikh rabotnikov v proizvodstvennyye brigady/VNMTs Goskomtruda SSSR" [Temporary Recommendations for Inclusion of Engineering and Technical Personnel in Production Brigades/All-Union Scientific and Methodological Center for Organization and Management of Production of the USSR State Committee for Labor and Social Problems]; Moscow, 1986.

#### Productivity Growth Under Collective Contract

Moscow SOTSIALISTICHESKIY TRUD in Russian No 3, Mar 87 pp 90-93

[Article by V. Khlevetskiy and V. Peshkov, Western Siberian Affiliate of Scientific-Research Institute of Labor: "The Collective Contract in Action"]

[Text] The problems of boosting labor productivity will be solved all the more quickly, the faster organizational and economic conditions of using

new equipment and progressive technology are solved. The economic mechanism is also needed toward releasing workers.

The experiment conducted in Novosibirsk on changing over to the collective contract in sectors, shops and other structural units shows that the growth rate or production volume of contract collectives was 2-2.5-fold higher than at enterprises as a whole. Here in the course of certification of work stations 5 to 10 percent of the number of personnel were released, cadre turnover was reduced and labor discipline was improved. At other sectors where work is organized in the usual way, results were much more modest.

Practice shows that one of the main conditions for introduction of the collective contract is to convey to shops and sectors long-term, stable, progressive wage norms (while taking into account reduction of labor intensiveness by years). However, this is being done far from everywhere. Thus, at the Elektrosignal Plant, they are stable only for the duration of a quarter. At Inskaya Station the yearly norm is differentiated by months. At Voskhod Baking Association, indicators were established: some for pieceworkers and others in the form of a stable amount of the wage for time-rate workers and engineering and technical personnel. And a great many such inconsistent examples could be cited.

When collectives do not have stable norms, certification will not provide the necessary effect. It has not been possible to eliminate the deficiencies of continuous revision of time and output norms. On the expiration of a certain time, they will be manifested even to a greater degree.

The fact is that the collective contract ensures higher growth rates of labor productivity on the basis of overfulfillment of norms. This makes it possible to reduce quarterly and monthly norms, which is obviously to the collective's disadvantage. For this reason it is frequently unprofitable for it to introduce rationalizing proposals or to acquire new equipment, progressive technology and advanced work methods. Significant overfulfillment of output norms by contract collectives through improvement of organization and greater intensiveness of labor, on the one hand, as well as fulfillment of the functions of pieceworkers by time-rate workers and in some cases by engineering and technical personnel, on the other, require the development of new methodological solutions in regard to accounting, analysis and evaluation of intensity of labor norms and recommendations for the calculation of integrated comprehensive norms which are used under the conditions of a collective contract uniting pieceworkers, time-rate workers and engineering and technical personnel.

We think, and this should not be forgotten in the course of certification, that it is important to set up accounting not only of the technological but also of the full labor intensiveness of a sector, shop or enterprise and to calculate the percent of fulfillment of norms for all the workers of a contract brigade. It should be pointed out that certain changes in labor norm determination at such collectives have already occurred. Comprehensive norms are used for keeping track of the volume of completed work and calculation of wage norms and operational norms are for placement and record keeping of workers' individual output in distribution on the basis of labor-participation

coefficients as well as for issuing shift assignments. The collective has been granted the right to revise its own operational norms while not changing comprehensive norms or the wage norm. In this way the problem of profitable and unprofitable work is solved. Such norm revision constitutes one of the forms of involvement of workers in production management.

Why is it then that stable norms are not conveyed to workers? Let us cite the work practice of the Elektrosignal Plant. Usually the target is set in January of reducing labor intensiveness for the year. The contract collective's foremen, technologists and workers actively look for a way of reducing labor intensiveness and each fifth norm is reviewed. But then the assignment has been fulfilled, the norms are recalculated while taking into account the plan for reduction of labor intensiveness. And it is disadvantageous for the collective to further disclose its reserves. These contradictions can be excluded if stable, progressive wage norms (taking into account of labor intensiveness) are established for enterprises for 2-5 years.

Some economists believe that it is impossible to employ a stable norm: organizational and technical conditions, the product mix and assortment of goods are constantly changing. Actually, if you were to consider a norm as stable and permanent, you could then presume that it will be a kind of factor holding back technical progress and slowing down the rate and time of product replacement. With evaluation of a norm as stable and progressive, collectives will be interested in introducing effective equipment and technology and replacing products.

First, measures are carried out in a planned manner, and it is possible to reduce the norm only by reducing labor intensiveness. Second, if highly productive equipment is actually introduced, for example, if 30 lathes are replaced by one automatic line, the norm, of course, is recalculated. In this way operations are determined by the concrete conditions of production.

The principal aim of establishing a stable progressive norm is to create such conditions for the members of a contract collective in which workers can display their abilities, knowledge and initiative, introduce advanced experience and boost labor productivity. Also, a sufficiently flexible mechanism is necessary for stimulating highly productive work. Norm constancy should be guaranteed where growth of productivity and percentage of norm fulfillment is backed by the strenuous and well-organized labor of the contract collective.

In transfer of structural subdivisions to the collective contract, considerable preparation is required. It is necessary to establish positions on wages, cost accounting, the council of collectives and so forth. A clear-cut system of regulation of relations of the contract collective with subcontractors and management is required. In computation of wage norms, labor norms are verified and the target is validated for reduction of labor intensiveness both of technological and of management service, that is, reduction of the full labor intensiveness of the sector, but these measures so far have not been properly tied in to certification and rationalization of work stations.

Certification is a multifaceted process. Of its many aspects, I would like to direct attention to improvement of norm setting of labor. This is determined by the fact that during the period of certification, measures are worked out and realized for improving work conditions and labor safety practices and replacing obsolete equipment with more efficient progressive equipment.

With expansion of the scale of the Novosibirsk experiment, an imperative need arises to shift from evaluation of work stations to certification of flow lines, sectors and shops, as at a number of enterprises rationalization of individual work stations has not provided a high end result. All work stations can receive a favorable rating, but production quality may not rise and its cost may not change significantly. Thus, it is necessary to evaluate the shop or the flow. In light industry, this can be solved if such indicators are introduced as number of items with the N index; level of specialization of the flow and the seasonal character of the produced assortment; progressiveness of the technological process and organization of production and labor in the flow; the point rating of produced items; fulfillment of the plan for volume of output, assortment and labor productivity.

Evaluation on the basis of such indicators makes it possible to provide a complete description of any production on whose basis it would be possible to work out appropriate measures.

The collective contract unites all the personnel of the production sector or shop. Consequently, certification should be comprehensive and include not only a general evaluation of work stations, flows, brigades, sectors and shops but also a check of the level of the general educational and vocational training of workers, engineering and technical personnel and employees in accordance with the needs of production, the knowledge of brigade leaders, foreman and chiefs of shops of advanced experience, equipment and technology, organization of labor and management, their ability and capability of working with people. Finally, certification is required of the production process, products and so forth.

The collective contract in combination with certification of work stations and improvement of norm setting of labor is becoming at the present time an important direction in the improvement of the economic mechanism. And the solution of this problem should be approached in the light of present requirements.

## Use of Integrated Brigades

Moscow SOTSIALISTICHESKIY TRUD in Russian No 3, Mar 87 pp 93-95

[Article by S. Zverev, candidate of economic sciences, director of Novosibirsk Affiliate of Moscow Technological Institute of Light Industry, and B. Lysenko, chief of a sector of the Department for Labor of Novosibirsk Oblispolkom: "The Ob Adjusts its Course"]

[Text] In the fleet they say for a ship to reach its goal, it is important to determine its correct route. This figurative expression is fully applicable to the economic practice of any enterprise. Here also everything depends on the accuracy of the designated course, timely corrections and possible improvements.

For the Novosibirsk Ob Leather Footwear Association, the main direction has become the creation of integrated brigades working on a single contract and being paid with the use of the labor-participation coefficient on the basis of the end work result. Usually they number 27-30 persons. And this course was correct, but the times have required new guidelines and the determination of new limits.

Actually, the practice of many years shows that the length of time of the significant influence of the organization of integrated brigades on the work results of an association is limited. As a rule, efficiency begins to drop 2-3 years after the time of formation of the collectives.

For the shoe industry, the constant personal interest of workers in boosting production quality is extremely important. At the same time, for a part of the brigades created, for example, at sewing operations of footwear production, the end product is not finished shoes. For this reason it is difficult to show the dependence of the quality of all production on the labor of sewers, they objectively are not interested in improving it. In addition, such a practice of labor organization isolates artificially, as it were, the collectives of technologically related sewing and stitching flows from each other.

For this reason, they decided at the Ob Association to create a single amalgamated integrated brigade of sewing and stitching flow, including the engineering and technical personnel in it. At first, the practical realization of the prepared plan ran into a number of difficulties. They were to be explained first and foremost by the fact that the association did not possess a mechanism for stimulating the personal and collective interest of personnel in attaining high end results for the joint labor of the united flow. The conditions of the experiment on employing the collective contract in sectors, shops and other structural units of Novosibirsk Oblast became just such a mechanism. They introduced significant changes into the existing manner of forming labor collectives, wages, the system of management and interrelations among members of the brigades. From their side, these changes realized in practice should have positively influenced the economic and social work indicators and operation of the contract collectives. All this predetermined the manner of carrying out the experiment. Its core was



organizational and scientific and methodological support. A constituent was certification of work stations.

The lagging collective was chosen as the experimental unit, since in the creative search the external side of the experiment's results was practically guaranteed in the leading unit: its employment could not significantly impair the indicators. And, conversely, in the unit not working stably, it was possible to reveal from the far from friendly collective all the advantages of the collective contract, its viability and reserves for improving production indicators.

The choice fell to sewing and stitching flow No 11 of sewing and stitching shop No 5. They specialized in the fabrication of men's shoes and belong to the series type of production which is based on the flow-conveyor method of work organization. Before the experiment and certification, the technico-economic indicators of both flows were low. The plan was constantly not being fulfilled and return of shoes from trade was the usual thing. In order to conduct the experiment in such a collective, it was necessary to carry out a whole complex of measures which included the preparation of three targets, as it were: the production department, organizational and normative documentation, and the workers themselves. This required half a year.

Included in the contract collective were all the piecework specialists, auxiliary workers from the machinist group, line personnel, a technologist and a modeler. The normal size of the collective was 89 persons. Of these, 6 were engineering and technical personnel and 13 time-rate workers. A norm was determined for calculating the wage fund for 100 pairs of finished shoes for each assortment. The annual wage fund is computed according to the average norm for 100 pairs of shoes and their annual production in physical terms. In the combined sewing and stitching flow, the sewing and stitching brigades were retained with their councils, the chairmen of which were included in the united council. It was headed by the senior foreman. The collective of the flow concluded a contract with management incorporating mutual obligations.

The experiment in combination with the certification and rationalization of work stations and implementation of other organizational and technical measures yielded big results. In 2 years, labor productivity grew 37 percent, and 15 percent of the total number of workers were released. The correlation of the growth rate of the average wage and of labor productivity was 0.24-0.26. Indicators of production quality also improved. Return of shoes from the trade network decreased tenfold and in 1985 reached 0.34 percent of total volume. The result for the sector, of course, was significant.

In a relatively short period of time, the lagging unit was transformed into a leading collective, which had a favorable effect on other sectors. All persons employed in sewing and stitching flow No 10, which was putting out another product assortment, volunteered to switch to work based on the new form of labor organization. And in the second flow, because of reorganization of production and better utilization of the reserves of each work station, high indicators were attained. This directly influenced the total results of the association's work.

In sewing and stitching flow No 10, in accordance with the council of the contract collective, the intensity of norms was boosted for three operations and somewhat reduced for the other three within the limits of the comprehensive norm and estimate. On the whole, labor productivity grew.

It was established in the course of the experiment that the collective contract made it possible to solve the problem of manpower provision and created additional conditions for improving production quality, speeding up the introduction of new products, equipment, technology and NOT, reducing worktime losses and increasing labor content. The spread of contract principles to all categories of workers and granting of major rights to collectives develop the initiative of workers and democratic principles in management. Additional reserves help open up certification of work stations.

At this time, one of the top priority tasks is economy of resources on the basis of employment of cost-accounting principles, especially in the field of fixed-capital operation, for cost accounting pursues the aim of most economically using wages, materials and equipment.

Fulfillment of the tasks of retooling determined in the course of certification is reinforced by an efficiently operating system of measures of material and moral incentives. For example, collectives are motivated to conserve electric energy. Up to 70 percent of the savings go into incentive funds of units. Counters have been installed on production equipment, which make it possible to analyze how workers stand in regard to economy of resources and to the actual means of recording and control. A provision was developed on rewards for economy of spare parts. Waiting for implementation is the introduction of keeping track of expenditure and stimulating economy of those resources which formerly were expended without any sort of restrictions--thread, glue, lasts, accessories and the like. Various types of sensors, counters and flowmeters are being installed. Warehousing is being set up. Strict control and accounting involving the use of computers are being provided. This is the direct result of certification.

Among other trends in the development of the experiment is to be found improvement of certain of its provisions. Specifically, it would be useful to see to it that engineering and technical personnel disclosed the use of engineering and management resources. And they do exist. Thus modelers for the most part were provided for the first time finished models and only in 1985, that is in the course of the experiment, were they able to realize their engineering potential.

A further direction in the development of the experiment was the spread of the collective contract to other flows, shops, affiliates and the head enterprise and association as a whole. At the same time, it is expected that there will be a significant social and economic effect not only because of the wide-scale spread of the collective contract to many units but also because of the qualitative development of this progressive method of labor organization. While the first two flows applied to lagging, narrow-specialized units with reserves for boosting production efficiency, shop No 8, which switched to the collective contract in 1986, is one of the best in the association. Should good results be secured here, of which there is no doubt, the conditions of

the experiment would find new confirmation of their rightness and effectiveness. This will serve as an important prerequisite of its qualitative development during the current 5-year plant.

It would be useful to expand the collective contract in the shoe-stitching sector, joining the microgroups of the cutting and stamping shops and the microgroups of leather plants and so on. Development vertically should not only be according to the scheme: sector-shop-production-association, but also higher, not only with inhouse contractors but also with outside intersectoral ones. Socialist competition will have to have a new content. New possibilities of material and moral stimulation and various methods of activating the human factor for the achievement of productive and high-quality labor and for accelerating the rate of technical progress will open up.

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## IMPROVED LABOR CONDITIONS FOR WOMEN DISCUSSED

## Improving Benefits for Working Women

Moscow SOTSIALISTICHESKIY TRUD in Russian No 3, Mar 87 pp 96-104

[Article by L. Rzhnitsyna, candidate of economic sciences: "For Improving the Position of Working Women"; first paragraph is source introduction]

[Text] 1987 is a time of great events in the international women's movement. In Moscow, the World Women's Congress is to be held. It is the first since the congress in Nairobi (Kenya), which completed the 10-year period (1976-1985) proclaimed by the UN as the Decade of Women. This period was characterized by growing public attention in all countries and on all continents to the solution of one of the biggest social problems of the contemporary world. But it should be plainly said that for our socialist society it is not that important whether there will be or will not be another period designated as the "women's" period.

## Present Economic Problems and Women's Labor

For the socialist economy, improvement of working, living and recreational conditions of women is not a campaign but an organic, essential part of society's advancement toward attaining most important program goals. The constantly growing system of social and economic guarantees of well-being and equal rights of citizens, including on the basis of sex, is a distinctive feature of socialism, decisively destroying social oppression and for the first time creating a real mechanism for ensuring basic rights in practice oriented toward the individual and his needs in all their diversity.

From these positions, it would seem that the present period is only a logical continuation of an already existing policy in the field of the "women's question." But this is not at all accurate, since in such a situation those cardinal changes have not been taken into account which by this time have become urgent and concerning and to which reference was made in the decisions of the 27th CPSU Congress. The policy of acceleration of social and economic development, activation of the "human factor" and of maximum intensification of attention on the social sphere of life activity and of the consistent observance of the principle of social justice forces us to critically deal with the already traversed path and existing achievements and to significantly

make more precise the possibilities and guidelines toward which it is necessary to strive in the foreseeable future. In this regard, the social and economic problems of women's labor in the broadest aspect are not an exception. We refer first of all to the fact that today, under the conditions of mature socialism, a more developed and complex understanding is being formed than before of social equality and justice. And this is natural, since production relations and social consciousness are not standing still.

In preceding stages, as we know, the main thing was to eliminate any kind of exploitation, discrimination and to do away with class and caste privileges and old traditions, to provide the right for each to work for different reasons, using public means of production, and to obtain a share of public wealth on the basis of the results of one's labor. The subject of public production appeared from the unified positions of the collective worker, and historical progress consisted of such qualitative unity. But the same progress has now created a pressing need to take into consideration in improvement of production relations a broader differentiation of the subject on the basis of economic interests and other objective criteria molding the social structure of society so as to increase effectiveness in the use of motive forces and advantages of our socialist system and to more fully take into account the social special features of different social groups for developing their labor "on the basis of abilities" and realizing the principle of "each according to his labor" on a higher level.

Among the criteria of social differentiation of interests, behavior and value orientations of modern man together with occupational ones, an increasingly larger role is played by social-democratic characteristics: sex, age, family position, family ties and a number of regional settlement aspects.

This new background cannot help but be taken into account in evaluating measures in the field of labor and social development from the point of view of consideration of the interests and special features of women's labor. When the chief consideration is achieved among the sexes--equality before the law in the right to labor and rest, education and social security--further development is bound to be provided women and men by favorable conditions for the fuller fulfillment of all their social functions on the basis of the requirements of developed socialism--maximum satisfaction of needs and all-round development of each person's personality. With respect to women, such a formulation of the question means a new stage in the understanding of equality. Paradoxically as it might sound, today we first must deal with securing decisive advantages ensuring to the utmost the consideration by society of the special features of the position of working women with children. If a woman as before will select an occupation for herself not on the basis of abilities but depending on material concerns and, overburdened with household chores, will lag in skills and agree to any labor conditions (even to onerous and uninteresting ones) and will not have enough time for self-education and social activities, words here will be quite out of place regarding improvement of the personality and harmonious development. Ignoring the enumerated features and conditions of labor and life of mothers with children may have a negative effect on physical and social health not only today but also affect future generations, keeping in mind the role of the mother in the life of the child.

The necessity of moving toward such an understanding of equality was foreseen by V.I. Lenin. He wrote that if people are really different, then rights of equality before the law with all their urgency and importance will not eliminate economic inequality, and in this sense we have "violation of equality and injustice." (1) And we think that it is now quite timely and topical, when the active movement of society has been started toward more consistent observance of the principle of social justice, to attempt to determine or to see where specifically the transition is proceeding from the nominal "formal" equality toward a real equality, an equality in fact with respect to female labor. As one of the following necessary stages, the task appears urgent of introducing for women with children differentiated norms of labor and rest and social services, but for this a comprehensive scientific validation of the extent of such differentiation is required.

This today possibly is no less a difficult task than the one which constituted the content of the women's question in the '20s and '30s when the Soviet power brought women out of the narrow world of domestic and peasant concerns and gave them the possibility of securing an education and a vocation.

In the '70s and '80s, there was another problem: how not to permit the combination of study and work with upbringing of children and household duties (and this for women became the rule) to be a detriment to mother and child, particularly since requirements in this sphere of life were growing. The need for acquisition of knowledge and vocational growth exacerbated for women the problem of daily life, which frequently impels and induces limiting the number of children and sacrificing one's sleep and leisure time. Moreover, having the possibility of working and studying, women became more sensitive to the fulfillment of their family role as the demographic situation improved, first of all the correlation of the population according to sex, and the living standard improved significantly (real income is now 2.5-fold higher than in 1960).

Problems of easing the dual woman's employment today are being broadly discussed by specialists and nonspecialists. They concern the public because they are closely related to the state of family relations, upbringing of children and health of the population. But their social and labor aspect is no less urgent. The development of the main productive forces, that of a person, be it man or woman, is very important for the real implementation of the policy of intensification and also depends on how daily life problems are solved. And for working women with children, all this is made more difficult by the complex of problems of "motherhood and childhood." The fact is that productivity and results of their labor directly influence the degree conditions are favorable not for them personally but also for the children and their health, education, preparation for labor and so forth.

It is no accident that the state and progressive labor collectives as a subject of social and economic planning in recent years have increasingly frequently kept in mind the working woman who is a mother, the family with children and young people as future parents. (2) It is namely for these categories of the population that measures are considered for raising allowances, reducing worktime, developing children's preschool education, housing construction and improving education and medical services.

The scale of these measures is constantly being expanded: expenditures of the socialist state during the '80s for purposes of social education and maintenance of children and aid to mothers in the form of allowances are four times what they were in the '60s. But other sources are also used for social assistance to a working woman with children. Forms of social support, which are directly used at the enterprise, are becoming increasingly more significant and diversified. In our opinion, these trends will develop as one of the forms of self-activity and self-management of labor collectives in the social sphere. Present enterprises increasingly more frequently include in their structure "plant services" for the care of workers: stores, pharmacies, plant Houses of Everyday Life [Doma byta], clothing repair and tailoring shops and barber shops built with their own resources. In Saratov Oblast in the years of the 11th Five-Year Plan, 233 public-dining enterprises with 15,000 places, 500 delicatessen departments and stores, 33 places for acceptance of orders for foodstuffs and more than 50 facilities for personal services were opened at plants and construction projects. On the whole, it was possible to double capital investment for such purposes and each third facility of the service sphere was built with funds of enterprises. Naturally, feeling a concern for oneself and rid partially of domestic concerns, female workers begin their day in such an enterprise in a good mood. They have more possibilities and time for upgrading their qualifications and cultural leisure time than in those places where such forms of services are lacking.

In our opinion, it would be advantageous to direct collectives toward increasing monetary resources allotted through collective consumer funds for the development of social services for workers, singling out in this working mothers with children. While it is possible to frequently hear objections of such a character: an unjustifiable increase in differentiation of income is occurring. Indeed, differentiation in this regard is quite evident. But it is socially justifiable and takes place with the direct participation of the collective and under its control. It is important to more broadly introduce such new forms of service and assistance in labor collectives as allowances for the children of poorly provided workers and incomplete families, assistance in repair of apartments and in providing children with school uniforms and sportswear and benefits in the pay of workers and employees doing good work in children's institutions. It would be useful to disseminate experience relating to the creation of shops with increased production comfort for the work of pregnant women, granting of extra leave to female workers with many children with high labor indicators and others.

I would like to mention several addresses of enterprises with advanced experience in organizing social assistance to working women with children. Thus, at enterprises of Ivanovo Oblast, it was possible through the efforts of labor collectives of enterprises and local soviets to practically completely eliminate a shortage of places in children's preschool institutions. They do not know of this problem at Prikarpatles Production Association where all 11 kindergarten-nurseries have comfortable quarters, swimming pools and playrooms. Personnel are rewarded for reducing the sick-rate of the children. The Tula Chayka Sewing Association was the first to set up for itself the special Health Shop where pregnant women work. In it comfortable conditions have been created and a preferential regimen of labor and rest is

employed. At Baranovich Cotton Combine, protection of the health of women is so organized that here morbidity is the lowest in the sector. There are in operation an excellent medico-sanitary unit with a hydrotherapy section with electromagnetic procedure, a women's dispensary and a room for psychopreventive births. At the Zaporozhye Abrasive Combine, the social development plans contain a complex of measures for improving production conditions. Conditions are being created for easing concerns about preschool children. Leisure time of youth has been organized in a young technicians' club and so on.

It is characteristic that the experience of leading enterprises has served largely as a basis for the adoption of a number of all-union decisions that are obligatory for everyone in the social sphere. This applies in particular to the presently adopted decree on organizing a social service at enterprises and to permission for the construction of children's institutions with any sources, including production capital investment, and the formation of preschool groups with treatment for children in a weakened state of health and a number of others.

The importance of the social and demographic aspect of the policy of well-being is growing in a gigantic way in connection with the shifting of our economy to the rails of intensive development. Demands are increasing on the skill level of a worker and responsibility and intensity of work are being heightened. Let us say frankly that these reserves are few in the case of women personnel, taking into account the increased load (at work and at home) and the high level of employment in sectors with a forced rhythm, on conveyors, with a significant share of machine-equipment time (light, textile, food, chemical and petrochemical, watch, electronic and radio industry, instrument making and the like). All this objectively exacerbates the contradiction existing between the material and maternal functions in the life of practically every woman. And consequently in improving the economic mechanism, it is important to keep this circumstance in mind and to look for appropriate administrative decisions.

Studies of the USSR Central Statistical Administration connected with the investigation of work satisfaction clearly show the presence of a kind of special interests in the work of men and women, young and experienced workers, and low- and high-paid categories of them. Thus, while among men, most consider their work interesting, among women, the picture is different (respectively 65 and 49 percent). This evidently attests to the presence of a special "women's" aspect in labor organization and motivation and in carrying out vocational orientation.

In materials on the results of sociological surveys among young people regarding choice of work, there is a curious detail: all young people--young males and females--select work primarily on the basis of "interest," but in social and living conditions, the first-place choice among men is wages while among women proximity of work to home. Furthermore with age (from 18 to 28 years of age) in men, first place among comparable reasons is occupied by the possibility of improving housing conditions, while women remain faithful to their former motivation--proximity to home. According to data of the Far-Eastern Affiliate of the Scientific-Research Institute of Labor, women more



easily accept revision of output norms, a lower category and level of earnings and the like.

From this the conclusion suggests itself: "one's own" special interests must undoubtedly be reflected in the form of a corresponding "one's own" stimulus. Here evidently, you cannot get by with general measures if you want to obtain a good result and a big social and economic effect.

The problem of fuller consideration of the specific features of female personnel and the female work force in improvement of the economic mechanism of management (and especially motivation) must be selected and resolved on a level corresponding to the principles and possibilities of developed socialism. We know what the transition of enterprises to the principles of self-reimbursement [samookupayemost] and self-financing and to full cost accounting faces. Strengthening and deepening of cost-accounting methods at all levels of operation occur. It is important to see the danger that growth of the role of the cost-accounting effect may lead to certain negative consequences for the social activity of enterprises. It is no secret that even today the women's work force from the point of view of economic managers is frequently considered as less desirable compared to the men's work force: overtime work is forbidden or limited and additional expenditures are required for labor safety measures and for social benefits. Such positions may intensify with the transfer of enterprises to full cost accounting and self-financing, when a big demand will be made by the economic manager of a collective on the current receipts of an enterprise.

It is important to foresee this and to provide additional social guarantees for an optimal solution to the most pressing problems of women's employment on the scale of all society, including measures for providing vocational skill training of women and improvement of methods of evaluating and remunerating their labor.

#### Improving the Evaluation of Women's Labor

According to our calculations based on data of the USSR Central Statistical Administration (budgetary studies, record keeping of earnings on whose basis the pension is computed), actual differences in the earnings of workers and employees according to sex amount roughly to 35-40 percent. According to some studies (for example studies conducted by the Central Economico-Mathematical Institute of the USSR Academy of Sciences in Taganrog in 1978), this differentiation is even higher. Whereas, for example, up to 20 years of age men and female workers differ in earnings by a total of 15 percent, in other age groups, men earned 50 percent more than women. On the basis of this information, among workers earning up to 120 rubles a month, women constitute 85 percent, whereas among those receiving more than 200 rubles a month, they are only 19 percent. And this is where in conformity with the economic law of distribution according to labor and our legislation, labor of the same quantity and quality is paid identically without any sort of differentiation for men and women or for persons of different nationality and social affiliation.

As we know, the socialist state on the scale of all society establishes in a centralized manner according to sectors of the national economy, types of work, their complexity and conditions of labor, the same wage rates obligatory for all enterprises and organizations for workers and salaries for engineering and technical personnel and employees, which do not provide for division on the basis of sex. The skill requirements are the same in wage and skill handbooks, which specify what a worker must know and be able to do for the performance of work of this or that category. Everyone who fulfills these requirements receives the right to a specified skill level. The employed forms, systems and methods of calculating pay and all its elements, including bonuses and established social compensations and guarantees are the same. For example, pay for regular and educational leave, regional increases, payment for overtime and night work apply to all working people. Here the facts are known and demonstrate the undoubted advantages of our socialist system compared to capitalism where up to the present time outright discrimination exists in wages of women, which bring in billions of additional profit (according to estimates, in the United States roughly 63 billion dollars, in England 1.2 billion pounds sterling and in the Federal Republic of Germany 10 billion marks) and are outright underpayment. Thus on the staff of the U.S. Congress, a male administrative assistant receives twice what a female administrative assistant possessing the same qualifications does and so on.

In distinction to capitalist countries, in our country with mass participation of women in public production and in the most diverse sectors and spheres of activity, problems of regulation of the wages of women are of quite a different character. The need for regulation stems from the existence of social and economic heterogeneity of labor and the special features of the position of women in the process of public reproduction and its role in the population's reproduction.

Actually, with an increased load and the desire to better fulfill labor and family functions, the woman still lags behind the man in qualifications. She has her own interruptions of vocational life connected with motherhood and children's upbringing. Beginning with a practically identical educational start, women gradually fall behind 1 to 1.5 grades in their qualifications level. While among ordinary specialists in industry, 60 percent are women, the higher the place in the service ladder, the fewer of them are there: among directors of enterprises--11 percent, shop chiefs--12 percent and so forth. It is symptomatic that the situation here does not improve and even deteriorates for a number of positions (see Table).

The lag in qualifications is particularly strikingly displayed among women with young children. And for them, certain benefits have been established for study during worktime with retention of pay. But practically all workers are trained in this way and consequently a woman receives no benefit. But the main thing is that the first lag is established in those 1.2 (and in the next 5-year plan 2) years that the mother stays at home with the first child. And what if there are two or three? For this reason it would be useful to organize retention of qualifications, growth of knowledge and skills namely in the leave period for taking care of young children. And so that the youngster does not suffer, such parental leave should be taken outside the limits of his first year of life (as is done in the GDR). In this way, obligations in the

family in regard to bringing up children are distributed more fairly and the occupational interruption of a woman is reduced.

Table. Women in the Total Number of Managers in Industry (in %)\*

	Refer- enced	
	1957	1983
Managers of production associations and independent enterprises		11**
Their deputies	10	8**
Chief engineers and their deputies		9
Shop chiefs and their deputies	14	12
Chiefs of shifts, sectors, laboratories and their deputies	24	18

\* "Zhenshchiny i deti v SSSR" [Women and Children in the USSR]. Moscow: FINANSY I STATISTIKA, 1985, p 30; 1960, p 35.

\*\* [Translator's note: The figures 11 and 8 are bracketed together in the original text.]

Concern for the family under conditions where social organization of the mode of life leaves something to be desired frequently results in the fact that a woman deliberately seeks the reduction of her vocational status and transfers to work not based on her specialty but to one that is closer to home, to the children, to the children's preschool institution, to the service sphere and to part-time work with pay that is lower compared to her capabilities. All this is not to the benefit of the "man-woman" relationship in regard to pay. It would be possible to improve such a situation somewhat by creating for mothers with children the possibility of taking advantage of favorable conditions in work based on one's specialty. But a flexible schedule as before exists on a very limited scale, although the legislation contains a statute on the possibility of using it.

In this connection, the position of women managers deserves special attention. We know what a difficult road they as a rule must travel in climbing the service ladder and proving their public worth with high professionalism. And society should maximally reward their advancement and retention. Tatyana Barkanova, the director of Zhenskaya Moda Production Association, started out as a seamstress, Irina Shigilcheva, the director of Angren GRES-2, as a foreman and so on. And is it really impossible in the most acute period of a woman's "career"--motherhood and upbringing of children--to provide them with the possibility of working according to a flexible worktime schedule? This would significantly make it easier for them to combine work with domestic duties. It is time to reject the old dogma that a good manager is only the one who does not leave his desk. It is necessary to more actively pursue a policy of expanding the group of those who make decisions, to develop collegiality and to use computers more widely.

The biggest achievement of socialism is the broadest possible occupational versification of women's labor. There are practically no occupations in the USSR where women are not employed with the exception of those that are forbidden on account of unfavorable work conditions. Sectors vary: in some physical strength and endurance have no practical meaning while in others they are very important.

For example, many women now work in machine building--the leading sphere of employment of women's labor. But can a woman who is a lathe operator or fitter in operations which require much physical strength be capable of completing the output norm on the same scale as physically strong men? No, naturally. And therefore she lags in productivity and consequently in pay. According to survey data, lathe operators--men and women--holding about the same grade, fulfill the norm 160 and 145 percent, respectively. This difference in the calculation of wages in machine building means a reduction in pay for a woman of approximately 25 rubles a month.

Such a cause of differences has so far been eliminated only for several occupations; agricultural women machine operators and drivers. But V.I. Lenin plainly pointed out that equality of women in society does not at all mean their parity in labor productivity, in duration of worktime and the like. For this reason it will be necessary in the future to decisively expand the range of occupations for which norms differentiated according to sex are used.

It is also necessary to speak of historically formed differences in pay according to sectors involving the use primarily of male or female labor--heavy and light industry, production and nonproduction spheres. Today the difference in pay among the production and nonproduction spheres is roughly one-fifth. For this reason, the policy implemented by the socialist state of bringing closer intersectoral differences, especially on the basis of the indication of the national-economic importance of the sector (in heavy work, of course, the advantages for men remain--in pay for underground work and the like) will have a beneficial effect on the remuneration of women's labor. In the '70s during the period of introduction of the new wage conditions in the national economy, the primary growth of wages and salaries was secured in light industry and the nonproduction spheres, which largely contributed to the growth of families' real income on the basis of a rise in women's pay.

Here is a typical example. The Borovko family in Novosibirsk: the husband Nikolay Ivanovich is a lathe operator, his wife Tatyana Ivanovna is a seamstress; they have two daughters. In 1983 their monetary income was 7,130 rubles a year or 594 rubles a month (148 rubles per capita), which was 1.6-fold higher than in 1971. The rise in the wife's earning had an effect. At the sewing association where Tatyana Ivanovna works, average pay for the indicated period grew 67 percent. A regional coefficient was introduced. Wage rates were increased. A reward was paid based on the results of the year, bonus sizes were increased for workers who had adopted the technically based norms. Bonus awards were introduced for new products of higher quality. Tatyana Ivanovna herself became a highly skilled seamstress and considerably overfulfills the prescribed assignment. Her earnings rose from 150 rubles in 1971 to 300 rubles a month in 1983. As can be seen, in this family the spouses earn about the same.

On the whole, according to data for the '70s (more recent publications were not found), in approximately 40 percent of the families, women and men had approximately the same income, in 25 percent of the families the income of women exceeded the income of men and in 35 percent of the families men earned much more than women. We assume that in the '80s the process of income equalization for the sexes will be increased if one takes into account the central measures implemented by the socialist state relative to raising wages and salaries in a number of sectors of the national economy and industry with a primarily female composition of the workers: education, culture, health care and baking.

But the main direction in state regulation of the pay level of women is compensation for losses in their earnings in connection with natural interruptions in the work life (birth and upbringing of children). In the last 15 years, income from social payments rose significantly: their gross amount increased no less than fourfold. The next round of measures started in the 12th Five-Year Plan: according to the 1987 plan, a significant increase is contemplated (approximately twofold) in the number of paid days for the care of an ailing child, which will require additional budgetary resources.

In promoting today under the new conditions the task of ensuring equality of man and women in the sphere of labor relations, one cannot help but note a certain inconsistency in the customary evaluation of female labor in still another respect: retirement. As we know, here the duration of the working period or of the length of service for women is considered as being at the least 5 years less than for men, despite the fact that their life span on the average is 10 years longer. Women acquire qualifications more slowly since they have interruptions at a young age for giving birth and rearing a child. In this connection, an additional lag occurs with respect to pay on which basis the pension is determined. Consequently, as skilled workers with high pay, women realize themselves later than men, but the rules of going on pension do not take this into account. With the development of technical progress and activation of the processes of releasing manpower, a shorter length of service could place a woman in relatively more favorable conditions. While a man at 50 years of age appears to a labor collective and the management of an enterprise to be a promising worker (he has 10 years ahead before retirement), a woman at this age is an obvious candidate for retirement. With respect to her, no one is any longer concerned with promotion or upgrading of qualifications. Of course, this is not true everywhere, but it is all the more important to evaluate these facts comprehensively and to make the right conclusions for the future. What sort of variants are there here in our opinion? First, it is possible to bring the age of retirement closer together for men and women. For a woman without children employed in work with normal labor conditions, for example, in the nonproduction sphere, it could be increased to 58 years, in our opinion. At the same time, to make provision that women with children receive advantages in regard to the age of going on pension: with one child, it would 56 years of age, with two--54 years of age, with three--52 years of age and with four or more--50 years of age. At the same time, a reduced pension age should also apply to women employed in heavy, harmful and intensive work regardless of the

number of children, taking into consideration the state of health and the effect on the organism of working conditions and the production sphere as a whole.

The second direction in which changes are possible for the benefit of women with children is length of service required for obtaining a full pension. At the present time, certain advantages apply only to those who have five children. For the designation of a pension here, a 5-year length of service is enough. It would be useful to also apply this principle to other female workers with many children. Namely: with the existence of four children, length of service for a woman could be 10 years and with three--15 years. In this way, a single principle could be consistently maintained and the position realized on a certain equalization of labor in public production and labor relating to rearing of children.

But as regards changes in pension provision for women, one can frequently hear objections and accusations of inconsistency. If, they say, dual employment of women and tiredness are acknowledged, then to what end is the talk on raising pension age? In our opinion, these things cannot be compared. Second, for those who have had dual employment in connection with rearing children, the law proposes benefits based on age. Third, it would be possible to recommend for a group of occupations connected with performance of heavy work, or under harmful conditions, or in sectors with high labor intensity, and to establish for women after 50 years of age reduced output norms with retention of the existing pay level according to the type of workers--female textile workers and agricultural machine operators--or reducing the workday by 1.5-2 hours.

All that has been said attests to the fact that the "women's question" now has many new aspects. It is a historically determined category reflecting problems and conditions of concrete reality. And to solve it, adequate forms and methods are required stemming from the tasks of this reality.

From this point of view, a planning instrument is needed, in our opinion, like the "Labor and Life of the Working Woman" Special-Goal Comprehensive Program. It is important for its chief indicators to be included in national-economic plans (5-year and long-term) and become part of the social-development plans of enterprises. The latter in fact have proved how much can be done for one's female workers when the desire is there.

Within the limits of the special-goal comprehensive program, it would be possible not only to more validly determine the aims, sizes of funds, sources for them and the degree of priority, but also to coordinate scientific research on women's problems in the following most important directions: ways of bringing closer differences in pay level based on sex; organizing upgrading of qualifications and their motivation; a professional career for the woman specialist; special features of technical progress and its influence on the organization and norm setting of women's labor; development of forms of assistance in rearing of children; social work of enterprises for improving working and living conditions of women.

It is very important for these purposes to expand the practical study of the state and dynamics of women's labor. Expansion of statistical studies and sociological surveys, including with the resources of science and enterprises, would be of undoubted benefit to the work.

#### FOOTNOTES

1. Lenin, V.I., "Poln. sobr. soch." [Complete Works], Vol 33, p 93.
2. "Materialy XXVII syezda KPSS" [Materials of the 27th CPSU Congress]. Moscow: Politizdat, 1986, pp 51, 52.

#### Increased Concern for Working Mothers

Moscow SOTSIALISTICHESKIY TRUD in Russian No 3, Mar 87 pp 104-107

[Article by T. Uzlikova: "The Concern for Women with Children is a Common Concern"]

[Text] Taking into consideration the unfavorable demographic situation that has developed in recent years in a number of the country's regions, the efforts of state and public organs and labor collectives of enterprises have become significantly more active in provision of aid to families with children, protection of mother and child and the creation of more favorable conditions for combining women's vocational work with the upbringing of the rising generation.

Study of such work on the example of Latvian SSR and Bashkir ASSR shows that a definite organizational system has begun to take shape in it. And successes here largely depend on a coordination of the plans and actions of different ministries and departments, parties and soviet organs and enterprises and the public. In the cities and rayons of these republics, demographic commissions have been created. These have become developers of comprehensive plans for improving the demographic situation within the confines of the jurisdictional territory. They are subordinated to republic demographic commissions whose work is supervised by the Central Committee of the Communist Party in Latvia and the party obkom in Bashkiria.

Labor organs and social security organs are taking an active part in this work. They organize the study of questions connected with reproduction of the population, adopt measures for improving the working and living conditions of women with children and prepare through joint efforts materials for examination at meetings of ispolkoms and sessions of soviets of people's deputies.

The Bashkir ASSR State Committee for Labor not only coordinates measures of demographic policy but also controls the work of enterprises and organizations located on the territory of the republic for the creation of more favorable conditions for women, making it possible to combine labor in public production with giving birth and rearing of children. Materials are constantly being

collected and generalized on the course of fulfillment of targets relating to expanding the use of part-time worktime, and work at home for women with young children. They show special concern for the training and use of machine operators from among women.

On the initiative of the Latvian SSR Ministry of Social Security, the commission on questions of women's labor and life and of protection of mother and child of the republic's Supreme Soviet listened to the question of intensifying the attention of local soviets of people's deputies on work with large families. At a joint meeting of the collegium of the Ministry of Social Security and the Riga Gorispolkom, positive experience was examined of work on providing aid to families with children at the Kommutator and Rigas Apgarbs enterprises and the Kolkhoz imeni 9 May.

In Latvia and Bashkiria in the general system of demographic policy measures, labor and social security organs attach primary importance to improving the conditions of working women's work and life and releasing them from work with heavy and difficult conditions of labor.

Targets set for 1978-1985 for a significant release of women from heavy physical labor have been completely fulfilled. Labor organs look after dissemination of the experience of those enterprises where assistance to women with children is of a planned and comprehensive character. This particularly applies to the Ufa Production Association imeni Kirov, where transfer of women from heavy and harmful work is entirely completed. Women with children are granted work with a short workday (of up to 4-6 hours). Large families with three or more children possess a preferential right for receiving trip tickets to children's preschool institutions, pioneer camps, sanatoriums and boarding schools as well as the right to an extra supply of deficit food products.

Conditions of reduced worktime are employed for women at the Ufa Motor Building Association. Over the course of the 5-year plan, the number of women with children employed on a shortened workday increased more than fourfold. Through the means of funds for social and cultural measures and housing construction, young families are granted interest-free loans of up to 150,000 rubles for improving housing conditions or setting up house. At the same time a significant portion of the loans is repaid with the birth of the second and third child. Single mothers enjoy advantages in securing places in children's preschool institutions and in payment for their services. The practice of payments of bonuses to nursemaids, educators and other service personnel in amounts of up to 40 percent of the salary depending on reduction of sick-rates of children in children's preschool institutions has well recommended itself. The association's management has been concerned with the construction of the first kindergarten in Bashkiria of the sanatorium type for children who are weak or suffering from chronic ailments.

Concern for the association's female workers is displayed in the most varied forms. On giving birth to a child, a mother is allotted 30 rubles. The enterprise has its own medico-sanitary unit where several physicians of different specialties work; a stomatological section has been opened. In the shops, feminine-hygiene rooms have been fitted out.



At a number of the republic's enterprises, rewards based on work results for the year are paid to women with three or more children in the amount of 100 percent of the salary (piece-rate earnings) regardless of length of service. Families with three or more children enjoy a preferential right in the purchase of passenger automobiles and other means of transport for personal use.

The Bashneft Production Order of Lenin and Order of the Labor Red Banner Association is increasing by 20-30 percent the size of the reward for work results for the year for those leading female workers who have a family with three or more children.

In the Latvian SSR in the course of 1981-1985, the number of women employed in heavy physical labor was reduced almost threefold.

The republic's State Committee for Labor is actively developing such forms of women's employment as work with shortened worktime or at home. These forms have been most prevalent in organizations for personal services and of light and local industry as well as public health care, education, trade and a number of other sectors.

Useful experience also has been accumulated in the Latvian SSR in the matter of providing assistance to families with children on kolkhozes. Thus, at kolkhozes Adazhi of Rigskiy Rayon, Uzvar of Bauskiy Rayon, imeni 9 May of Rigskiy Rayon, Zemgale Sovkhoz of Tukumskiy Rayon and others, a system has been established of material stimulation of the birthrate and improvement of the living conditions of families with children. This has a positive effect on the dynamics of the size of the population and its structure. Here the relative share of youth and children of up to 16 years of age is higher, the birthrate level is higher and living conditions of families with children are better.

At Adazhi Kolkhoz, conditions have been worked out and approved for providing material and personal-service assistance to families with children. In accordance with these conditions, families of kolkhoz members are paid on the birth of a child an allowance in the amount of 100 rubles and mothers monthly allowances on the child reaching one year of age. The size of the allowance is set depending on length of service at the kolkhoz at 35 to 50 rubles (in addition to allowances paid from the social security fund). Families where both parents are kolkhoz members are provided with free maintenance of children in the kindergarten and a 50-percent deduction where there is only one child. For families of kolkhoz members that have three or more children of up to 16 years of age and both parents work on the kolkhoz an allowance is paid monthly for each child: for one of preschool age--in the amount of 10 rubles, for one going to school--15 rubles. Following the birth of a child, the woman retains her length of service for 3 years. The kolkhoz has its own kindergarten with a swimming pool. The staff has pediatricists and qualified service personnel.

Such forms of aid to families with children as payment of allowances of 35 rubles a month for children of up to 1.5 years of age, provision of material assistance on application and provision of living space are employed at

Kolkhoz imeni 9 May in Rizhskiy Rayon. If a woman on leave taking care of a child undertakes temporary work during the leave period, she continues receiving an allowance from the kolkhoz for care of the child and her wages. On the birth of a child, she is paid 100 rubles from the resources of the mutual-aid fund. Actually all children can receive trip tickets to pioneer camps.

For 11 years now a system of measures for material stimulation of the birthrate has been used at Zemgale Sovkhoz of Tukumskiy Rayon. It includes monetary allowances to families with children and maintenance of children with social funds in children's preschool institutions and schools. Women who have given birth to a child are paid monthly until it is one year of age a monetary allowance depending on length of service at the sovkhoz. All preschool children are practically provided with places in kindergarten-nurseries, while all school children are issued textbooks without pay. They also have free lunches.

All this has significantly helped to improve the demographic situation. The birthrate level has grown almost 1.5-fold and the number of children of up to 16 years of age 1.2-fold. Labor activity of women has grown markedly: practically all women of able-bodied age either work or study. Not far from here at Seme Sovkhoz in the same rayon, almost 23 percent of the women do not take part in public production because public forms of services and care of children are not developed. This again confirms how much everything depends here on the position of the manager and of the labor collective.

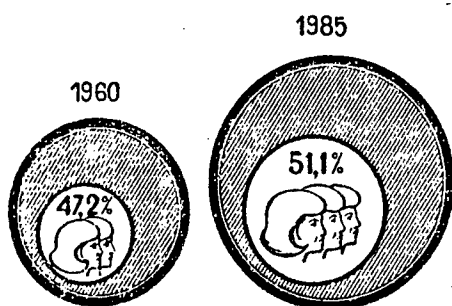
A great deal of attention in Latvia and Bashkiria is paid to improving medical services for women and children and further developing the material and technical base of therapeutic and preventive institutions as well as raising the quality of public upbringing of children.

Much is also being done for easing the household work of women. In addition to general boosting of the rate of development of trade, municipal and personal services and public dining, special measures are being adopted for preferential services for large families. Thus in the cities of the Latvian SSR, families with four or more minor children are registered with tables for food-store orders. In the Bashkir ASSR, delivery of goods at home has been organized for such families. Since the percentage of employment of mothers with many children in the economies of these republics is high (75-80 percent), assistance in the solution of personal-service questions makes it possible for them to devote more attention to the family and the children. In the Latvian SSR, they are taking the route of bringing personal services closer to enterprises. Various personal services operate at 40 enterprises. More than 30 enterprises are registered with fixed clothing repair and tailoring shops, workshops and acceptance centers which on certain days take care of the workers of these enterprises without them having to wait in line.

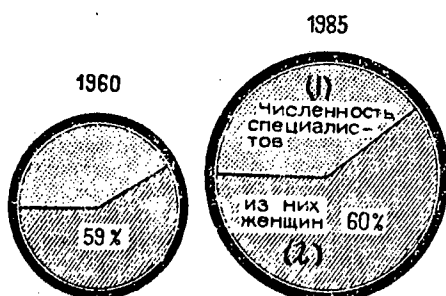
From the conducted analysis of the operation of labor and social security organs in the Latvian SSR and Bashkir ASSR, the conclusion may be reached regarding the compilation and implementation of plans of social and economic development for working mothers and also regarding provision of various kinds of social assistance to families with children that in addition to the implementation of measures on the all-union level great possibilities for the successful carrying out of an active demographic policy are possessed by the regions themselves. Measures adopted in this sphere in recent years have made it possible to improve the indicators of reproduction of the population. A tendency has emerged for growth of the birthrate and natural increase of the population, and the number of divorces has been stabilized.

The positive experience accumulated in the republic deserves the most close attention and dissemination.

#### FIGURES AND FACTS



Percentage of women in the total number of workers and employees



Women in the total number of specialists with higher or secondary specialized education.

(1) Number of specialists

(2) of whom women constitute 60%.

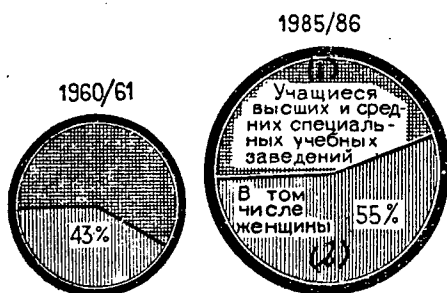
In the Soviet Union, there are 148.5 million women (as of 1 July 1986). They comprise 53 percent of the country's population.

The midyear number of female workers and employees in the country in 1985 compared to 1960 doubled and exceeded 60 million persons.

Women actively work in all sectors of the national economy. In this connection, they constitute the majority in some sectors. For example, in trade and public dining, they total 83 percent, in health care, physical culture and social security--82 percent, in education--75 percent and in the sphere of culture--74 percent.

In addition to the traditionally "women's" sectors (light and food industry), the number of female workers employed in the power industry and machine building (especially instrument making and electronics) has grown significantly.

Women who are scientific workers number almost 600,000, or 40 percent of their total number. Among them, 6,000 are doctors of sciences and 130,200 candidates of sciences. A total of 31,200 women, or 32 percent of the graduate students, are engaged in graduate study.



Women students in higher and secondary specialized educational institutions

- (1) Students of higher and secondary specialized educational institutions
- (2) Including women 55%



Outlays for payment of allowances to mothers and for education and care of children

- (1) Outlays for allowances to mothers and for education and care of children
- (2) About 6 billion rubles
- (3) About 25 billion rubles

In the USSR, women obtained a higher or secondary specialized education on equal terms with men. In 1980, there were in the national economy 5.2 million female workers--specialists with higher or secondary specialized education, in 1980--almost 17 million, in 1985--more than 20 million, or 60 percent of their total number.

In the beginning of the 1985/86 academic year, of the students of higher educational institutions 55 percent were women (in 1960/61--only 43 percent). Of them, 74 percent selected as the subject of study the field of education, art or cinematography (in 1960/61--63 percent), 71 percent chose economics and law (in 1960/61--49 percent), 60 percent selected health care, physical culture or sports (in 1960/61--56 percent), 44 percent studied in technical VUZ's (in 1960/61--30 percent) and 36 percent acquired agricultural knowledge (in 1960/61--27 percent).

In secondary specialized educational institutions in 1985/86, 58 percent of the students were women (in 1960/61--47 percent).

From the USSR State Budget a total of 23.3 billion rubles was spent on payment of allowances to mothers and for education and care of children in 1985 (excluding outlays on capital investment), that is, four times the amount in 1960 (5.9 billion rubles). This included 4.8 billion rubles (in 1960--1 billion rubles) on monetary allowances for pregnancy and confinement, mothers with many children and single mothers, on birth of the child and on care of the child up to one year of age and for children in financially strapped families; 8.5 billion rubles (1960--1.7 billion rubles) on care of children in kindergartens, nurseries, pioneer camps and institutions for work with children outside of school; 10 billion rubles (in 1960--3.1 billion rubles) on the maintenance of primary, 8-year, secondary and boarding schools.

Since 1981, state monetary allowances to single mothers have been increased everywhere. An additional 3-day paid leave has been introduced for working women with two or more children of up to 12 years old. Norms of outlays on food were increased in kindergartens, boarding schools and other boarding institutions.

Higher feeding norms were established for feeding children in preschool institutions and new amounts of pay for the maintenance of children in preschool institutions were also established. The pay for the maintenance of children in children's preschool institutions is not collected from parents in whose family the income per family member does not exceed 60 rubles a month. Pay for the maintenance of children in these institutions from parents who have four children or more is reduced 50 percent.

In the last 3 years in the RSFSR, children's hospitals with a total of 12,000 beds, polyclinics for 15,000 visits, maternity homes and divisions with a total of 9,000 beds have been introduced. The number of physicians for preschool institutions has grown. A network of specialized medical institutions for children and of medico-genetic consultation facilities called "Marriage and the Family" has been created.

During the 12th Five-Year Plan, the duration of paid leave for pregnancy and giving birth, which is paid to all working women in the amount of their full earnings will be increased from 56 to 70 calendar days prior to confinement. The partially paid leave for taking care of the child of up to one and a half years of age will be increased.

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## LABOR

## GLADKIY ON AIMS, EXPECTED OUTCOME OF WAGE RESTRUCTURING

Moscow IZVESTIYA in Russian 14 Apr 87 p 2

[Interview with I. N. Gladkiy, chairman of USSR State Committee for Labor and Social Problems, conducted by V. Romanyuk, IZVESTIYA's economic reviewer: "Wages: A New Approach"; date and place not given; first paragraph is source introduction]

[Text] At the next CPSU Central-Committee Plenum, it is planned to examine a complex of questions connected with the instituted reform of economic management. One of the reform's directions is improvement of the wage system. We asked I.N. Gladkiy, chairman of the USSR State Committee for Labor and Social Problems, to tell us how the new approach is being made. The discussion was conducted by V. Romanyuk, IZVESTIYA's economic reviewer.

[Question] Ivan Ivanovich, problems of wages and social justice are acquiring today special importance. In the recent decree of the CPSU Central Committee and the AUCCTU on improving wage organization and introducing new wage rates and salaries, it states that they are to increase an average of 20-25 percent among workers and 30-35 percent among managers, specialists and employees. These are impressive figures! But from what sources will the extra funds be drawn? After all, this time, restructuring of the wage system cannot look forward to any state subsidies.

[Answer] Actually, this time there will be no automatic raising of wages. The personal interest of labor collectives and its individual members in wage growth can be realized only through improvement of the work of each and all.

And this year the transition was made in production sectors to a normative method of formation of funds designated for all forms of pay of labor. The norms remain stable for the entire 5-year plan. This is an extremely important consideration: a guarantee is provided to the effect that earned money will remain at the disposal of the enterprise.

Affecting the interests of 75 million workers and employees (two-thirds of their number), wage restructuring encompasses for the first time in the complex both wage rates and the system of bonus awards, the mechanism of supplementary payments, increases and norm setting of labor. In general, the problem of observance of socialist principles of distribution according to

labor and of assurance of social justice on this basis in pay remains in practice today a most acute and pressing problem. A fundamental assessment of this phenomenon was given by the 27th Party Congress. It would be pertinent to point out that previously adopted measures did not provide a substantial effect first of all because they were as a rule of the character of a routine "campaign" and did not touch upon collectives' economic interests.

[Question] But is there any assurance that all the accretions on wages that have accumulated over so many years will be removed? We have many examples where the labor of conscientious and of careless workers is paid in the same way. In many sectors, the practice has become ensconced of establishing guaranteed rates and paying unearned bonuses, and all this against a background of general lowering of the quality of labor. You called improvement of the normative base almost a panacea but actually the norms themselves have started to lose their role as a measure of labor. But is it possible to consider normal the fact that the difference in pay of first-class workers and novices, of innovators of production and dishonest workers has almost been destroyed? Sometimes wages serve as a means of luring people from one enterprise to another. Or you have a situation where products are put out that no one can use, but the collective operates without restrictions. Where then is social justice here?

[Answer] In principle, the so-called nature of "deductiveness" ["vyvodilovka"] or "leveling" basically contradicts the socialist principle of payment on the basis of labor. I must say self-critically: a situation once occurred on a mass basis, which meant that we were not coping with it. The wage leveling factor has become today one of the chief braking mechanisms in our economy. Measures designated in the most recent decrees on wages create certain possibilities for the eradication of this evil. But, I shall say frankly that this happens to be a question that must be solved both "on top" and "on the bottom," in the labor collectives themselves. And here psychological restructuring has been carried out slowly so far. The habit has become too ingrained in the consciousness of managers of operating according to a "pony," instructions released from above. Limitations have been removed on holding two jobs, on pay for overfulfillment of technical valid norms and on operating with a smaller group--with distribution among the collective of the entire sum of saved pay. Managers of enterprises have been granted the right, in agreement with the trade-union committee, of introducing holding of two jobs for workers and expanding the scope of operation without the former limitation of lists. But very few have taken advantage of such possibilities, and appeals from enterprises have even appeared at the USSR State Committee for Labor and Social Problems to the effect that the sizes of these payments need to be restricted.

The broadest rights have been secured by managers of enterprises in organizing bonus awards for workers. No instructions from above as on the basis of what articles or who should be paid how much. But instead of seriously revising the system of bonus awards and relating them to work results, in a number of places they have reasserted old statutes on awarding bonuses and limited themselves to them. Such a situation is to be found in machine building and light industry. Here they still wait for additional instructions, recommendations and general positions and thus they only impede the work.

What then is the result? Formerly instructions "swaddled" the manager and did not permit him to take a step independently. For this, economic departments were subjected to the sharpest criticism. And now when all the rights have been granted, it turns out that the people either do not want or are not able to make use of them. But instead of going to the heart of the new decisions, they continue to complain about a shortage of rights. The problem is that some heads of enterprises and even of ministries live according to old standards and are reforming slowly, extremely slowly.

[Question] But the shady sides of the street in wage organization cannot help but be noticed. For example, the engineer's low wage has long been the subject of satirical ridicule of deficiencies in labor evaluation. Now this would seem to have started to move: the experiment started in Leningrad on improving the pay of designers is acquiring the force of law, and salaries of technologists and specialists have been revised. Could it be said that we have moved ahead in this sphere?

[Answer] To a certain extent, yes. Nonetheless even today, the question of providing optimal proportions to the pay of workers and specialists remains acute. Categories for specialists have been introduced. This applies first of all to designers and technologists. The essence of the proposed measures is that without benefit of promotion to an administrative position, the salary of a technologist or a designer can now grow to 260 and with increases to 390 rubles. And this is without taking account of bonuses! Moreover, bonuses for these personnel should be paid only for developments connected with acceleration of scientific and technical progress and raising the technical level of production. Of course, the introduction of new salaries for specialists should be preceded by their certification of a correspondence between the described positions and their categories. The solution of the problem of prestige and enhancement of the role of engineering work in production largely depends on its qualitative implementation.

[Question] And administrative?

[Answer] Personnel of the administrative branch also have the right to the additional pay of bonuses in the amount of three-quarters of the salary with the condition of 100-percent fulfillment of the delivery plan and basic indicators of efficiency. Furthermore, they can receive 2.6 of the annual salary for acceleration of scientific and technical progress, exports, startup of capacities and facilities, production of consumer goods and provision of paid services.

[Question] A few days ago, the deputy general director for economics of a large association in the capital came to the editorial office regarding this same 2.6 of the salary. In his opinion, the chief stimuli apply to the attainment of volume indicators rather than to technical progress. He is probably right in the sense that in awarding bonuses it is necessary to refine the system of priorities.

[Answer] I think that our economist nevertheless is wrong. What is it that we want to stimulate first of all? Prompt fulfillment of the delivery plan, which means balancing the national economy, production quality and production



efficiency. All this cannot be attained without relying on technical progress and new technology. Your economist would like to have things return to the past when plans were being set up everywhere for new technology, various uncoordinated measures were being implemented and solid bonuses were being happily paid, but in reality hardly anything changed--productivity did not grow and quality did not improve. Enough of that! The increased pay must come without fail from improved work indicators. For poor quality pay, bonuses in general are not provided. And in disclosure of defective output or reduced quality, payments of pay increases should be temporarily stopped or even discontinued altogether. In necessary cases, the skill grade, class or category would be reduced.

[Question] When will these measures be implemented?

[Answer] The changeover to the new rates and salaries in the production sectors should be carried out during the 12th Five-Year Plan. The collectives themselves will determine the concrete periods of time in accordance with their readiness on the basis of their own potentialities and available means. Of course, there where production has been neglected and labor organization is at a low level, any quick prospects of raising pay are out. On the whole, in assessing the state of affairs in the localities, we presume that in 1987 several million workers will change over to the new wage conditions. However, the larger portion of the collectives will resolve this task in the 2 years immediately ahead.

[Question] To what extent will the results of the experiments of the country's petrochemical workers, Belorussian textile workers and sewing-industry workers and the workers of Estonia's industry be taken into account?

[Answer] The objectives of these experiments are much broader than just developing new methods of stimulating labor. Actually, a new model of organization of the economy is being created where the end result will not be abstract value or a product but the satisfaction of the concrete needs of the national economy. Thus at the USSR Ministry of Petroleum Industry, a system of norms is being used to stimulate not growth of the volume of refined petroleum by itself but the comprehensive use of raw petroleum, economy of resources and raising of production quality, that is, the output from this or a smaller amount of raw material of a larger volume of production.

As for the experiment in Belorussia's light industry, here production directly aims at the satisfaction of the population's demand. The wage fund is formed from that part of the cost-accounting income which remains at the enterprise's disposal. This mechanism is also operative in trade. Thus the interests of a factory or store via wages are directly linked to how goods are purchased.

An interesting experiment was started in Estonia about which IZVESTIYA has already reported. Here on the initiative of republic party and soviet organs, wage restructuring is proceeding simultaneously in production and in a number of nonproduction sectors. The experience of an interrelated solution of regional and sectoral problems of wage management is being worked out. Moreover, all this is expected to be done in 1987.

[Question] The draft of the Law on the State Enterprise provides for the creation of a single wage fund as the sole source of payments for work results. In this connection, readers of IZVESTIYA will be interested in knowing whether bonuses, rewards and material assistance, which, as we know, constitute today a substantial share of earnings, have lost their role.

[Answer] Experience shows that concentration of monetary resources on remuneration of labor increases the possibilities of stimulating people in the most important and responsible sectors of production. Undoubtedly, the merging of monetary resources into a single fund at enterprises working under the conditions of full cost accounting, self-reimbursement [samookupayemost] and self-financing makes it possible to more mobilely redistribute funds in highest-priority directions. Some specialists and scientists propose to abolish in general the system of wage rates and salaries and to rely completely on the "residual method." The amount a collective has earned is the amount it distributes without any limitations. But what if it has earned nothing? Does that mean that the enterprise must go bankrupt? Recently, an unprofitable trust in Leningrad failed. This created a kind of sensation in our economic life. I suspect that such situations should not be excluded from other spheres of production, although they should hardly be transformed into a system for the liquidation of unprofitable enterprises.

I am convinced that it is too soon to reject the rate system. And in our country as well as everywhere else in the world, it is the basic form of state guarantee of wages. So far no one has rejected it anywhere. I repeat, the wage system needs to be improved, especially as applied to self-financing and full cost accounting. In 1989, all industry and a large portion of the nonproduction sphere will change over to the new conditions. Then as a start let us learn to work under the conditions of self-financing.

[Question] Well, for the time being let us try to answer particularly practical questions that arise in connection with the introduction of the two- and the three-shift work regime at enterprises. How will evening and night shifts be paid and be materially motivated?

[Answer] Significant increases are being prescribed: for work on the evening shift--20 percent of the hourly wage rate or salary for each hour of work and on the night shift--40 percent. Leave will be increased for workers constantly employed in a multishift regime. In addition, it is recommended that they be given preference in allocation of social benefits, totaling up of the results of socialist competition and conferment of honorary titles and other awards. Taking production need and existing possibilities into account, free or reduced-price hot food may be introduced for the evening and night shifts.

But all this is not manna from heaven. The benefits for working in a multishift regime are being introduced through the means of money earned by labor collectives. Some managers are counting in vain on some kind of subsidies. In principle, everybody wants to receive additional leave and pay. But not everybody thinks of how to get extra money for these aims, how to boost the return from the second and the third shift. A two-shift operation introduced formally without an increase in the output of high-yield

equipment and the solution of a whole complex of social problems can only bring disorganization into production and intensify conflicting situations in the collective.

[Question] Here is one of them. It arose at the Voznesensk Leather Association (Nikolayev Oblast). A group of workers from two shops of this enterprise wrote to the editors that they were assigned a work schedule obliging them to work 21 instead of 5 work Saturdays. Even if such a production need did occur, should there not be some compensation for the inconvenient work time?

[Answer] I would like to say at the outset that management by itself does not have the right to establish such a work schedule. In accordance with existing legislation, an enterprise's work schedule is approved at the time of examination of the collective contract, that is, it is worked out with the participation of the trade-union committee and while taking into account the the labor collective's opinion. In shops where the shift length is 8 hours or less, 6-8 work Saturdays are introduced in the course of the year. In a three-shift regime, the night shift is reduced one hour. But the number of workdays for those who go in at night, in accordance with the enacted decree, must not exceed the number of shifts in a one- or two-shift regime. As a person who has experienced all the difficulties of three-shift operation, I can say one thing: in a three-shift regime, it must not be permitted for people to be in a worse condition than those who work only during the day.

[Question] Apparently many problems remain, as they say, at the juncture of departments--the USSR State Committee for Labor and Social Problems and the USSR Ministry of Finance, Gosplan and the AUCCTU and ministries and enterprises. Criticism can be heard addressed to the State Committee for Labor and Social Problems for its bent to surround from every side any new endeavor with instructions, amendments and restrictive signs. But are these the main difficulties of the work being done? And if not, what is it then that retards the implementation of the program for improving the wage system?

[Answer] Restructuring of the economic mechanism and expansion of the rights of enterprises require changes in interrelations within the entire administrative chain. First of all, between central economic departments and ministries and then between ministries and enterprises and also within enterprises. The chief problem in my view is the slowness of ministries, which have dragged out the transition to economic methods of management. Then the work runs into attempts to excessively centralize questions of managing from above and the lack of a differentiated approach to the needs of enterprises.

There also are questions of a methodological kind which economic departments together with economic science are called upon to solve. We need to work out clear-cut approaches to the determination of socially necessary labor outlays and to achieve real rather than paper labor economy. Here are things which can be worked on by the USSR State Committee for Labor and Social Problems, and USSR Gosplan and the USSR Ministry of Finance. A special discussion on the role and place of a central economic department in the ongoing restructuring. There are also questions. Judge for yourself: the USSR State

Committee for Labor and Social Problems is responsible for wage organization. But the USSR Gosplan conducts planning, and finances are handled by the USSR Ministry of Finance. This results in parallelism and duplication in the solution of one and the same questions. On the other hand, when the list of those responsible is large, as a rule no one in particular is made accountable. The delineation of spheres of responsibility between central economic departments in our opinion should become an important part of the ongoing restructuring.

Let us sum up. Thus funds required for the introduction of new wage rates and salaries should be found through mobilization of internal reserves. An enterprise is assured stability of norms throughout the entire 5-year plan and a guarantee of the fact that all money earned or saved by it remains at the disposal of the collective. What do you start with? Evidently with a review of norms and their replacement with more progressive ones. To a certain extent the results of this work will become a criterion of the readiness of enterprises to change over to the new wage conditions.

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CSO: 1828/118

## SPECIALIZED TRAINING IN TOURISM, SERVICES SECTOR URGED

Moscow EKONOMICHESKAYA GAZETA in Russian No 14, Apr 87 p 24

[Article by S. Ivanov, V. Leonov, economic sciences candidates, Leningrad - Sochi: "Tourist -- Find Allies!"]

[Text] Specialists have calculated that a person today has some 2000 possible ways to spend free time. In its attraction and social importance, tourism is one of the most significant free-time activities.

Tourism has become an inseparable part of our lives, an important means of improving human health and a rational use of leisure. The growth of tourism and its entire industry has helped to overcome the imbalance between our people's income and expenses and improve the structure of solvent demand by shifting it from goods to paid services which has in the last few years made up only 10 percent of the public's expenditures. The demand for tourism is growing from year to year.

Meanwhile, the tourism industry has so far failed to keep up with the demand for quality services in the needed amount.

Many of tourism's shortcomings are associated with training specialists. It must be said that in the last two decades, the growth of tourism in many countries has put on a scientific basis and there have been created higher schools and research centers for training specialists in the organization of tourism.

One example of this is the Institute of Service Economics and Tourism in Banska-Bistrica (Czechoslovakia) which was established in 1983. It trains economists and specialists for the branches that support tourism. The program of study lasts 4 years and includes more than 40 specialized disciplines.

Unfortunately, we in the USSR have still given little attention to these problems. Personnel highly-qualified for the organization of tourism and resort management are trained under a far from full program and almost exclusively by just one department of the Higher School of the Trade Union Movement of the All-Union Central Council of Trade Unions. Meanwhile, the number of tourist establishments, sanatoria, vacation homes and pensions

belonging to the trade unions alone has increased by thousands and may now be as much as half a million. Courses to improve the training of tourism employees will not help the situation either. There is still an enormous network of hotels belonging to the republic ministries of housing and communal management, departmental hotels, vacation homes and pensions, vacation camps and sports camps.

Thousands of highly-trained specialists work in tourism and spa management and these include doctors, accountants, engineers and interpreters. However, all of these are employees of working departments and there are practically no organizers with the necessary qualifications. This has produced a paradox in which one of the largest branches of our national economy with thousands of establishments and hundreds of thousands of employees whose services bring in tens of millions of rubles each year is essentially lacking its own scientific research center and highly-qualified organizers.

We can now see that the time has really come to create a school for specialists in tourism and resort management. It could train specialists in economics, resort management, service organization, advertising, sanatorium and resort planning, organization of medical services and others. With regard to the increasing need for tourism specialists, we think that the institute will have as many as 300 students each year for day and night classes.

There is also a suitable place for such a training and scientific center and that is the Ukrainian-Caucasian resort region which receives about 9 million tourists each year and to be more specific, the world-renowned city of Sochi which receives more than 4 million tourists each year, about 250,000 of which are foreigners. Sochi has 217 sanatoria, spas and tourist establishments with space for 83,000.

Aside from that, Sochi is a large center of excursions, sports and resorts. About 90 percent of the city's workers are employed in tourism and the vacation industry. Many of these people are highly-qualified specialists including more than 200 doctors and science candidates able to provide high-quality student training.

Our suggestion is a realistic one. The resort and tourism authorities of Sochi could serve as a real training field for student practice, young students would have an opportunity to gain a deeper understanding of the problems of their future work and the time required for their vocational training would be reduced.

Sochi has a permanent resident population of 320,000 and each year, its schools turn out about 4000 graduates. At the same time, it is also the only city of its size in the country that does not have a single school of higher learning. The only subdivision of a higher school that Sochi has is a small general technical department of the Krasnodar Polytechnical Institute which has not grown any in 20 years and has practically ceased to fulfill its original purpose of training resort management specialists. This department has met and even overfulfilled the personnel needs of the city's various departments. At the same time, however, Sochi has a severe shortage of people

who can organize tourist services, ecologists and advertising personnel, none of which are trained by any higher school. Training specialists from among the permanent residents of Sochi will help to reduce the influx of people from other cities.

The well-known lack of experience in training personnel for new specializations is emphasized by the need to solve problems in stages. At the start, it would be possible to use the general technical department of the institute to organize training of resort management specialists and that would be in full accordance with the spirit of reorganizing the higher school.

Within a few years of the institute's work to retrain personnel and improve their qualifications, it would also be possible to develop a study program for the new resort management and tourism study center, establish a faculty, expand its resources and especially retrain personnel for the Ukrainian-Caucasian resort region. The sooner we create a higher school of resort management and tourism, the better we will meet the requirements of conducting a more active social policy whose center of attention is the needs of the people and harmonious development of the Soviet man and his health.

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CSO: 1828/110

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